

OVERSEAS NEWS

Argentine prices and income talks resume

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S Government began a new round of key talks yesterday with both sides of industry in a renewed attempt to secure a broad agreement on a prices and incomes policy.

Chilean army warns of clampdown

By Mary Helen Spooner in Santiago

THE COMMANDER of Santiago's military garrison has warned that Chilean authorities would impose special security measures tomorrow when General Augusto Pinochet's regime celebrates its 11th year in power.

Troops move into Indian city to quell riot

HYDERABAD—The army was called into the southern Indian city of Hyderabad yesterday after at least four people were reported killed and 50 injured in communal violence.

The Press Trust of India (PTI) news agency said the army had moved into the city and an indefinite curfew had been imposed after the trouble broke out during a Hindu procession in honour of the elephant god, Ganesh.

The violence coincided with rising political tension in the city, capital of Andhra Pradesh, ahead of a crucial vote in the state assembly tomorrow to determine which state political leader holds a majority.

Mr N. T. Rama Rao, the Chief Minister, was dismissed in August 1983 by the then governor, who said he did not have a majority, and replaced by Mr Bhaskara Rao.

Mr Rama Rao's dismissal sparked protests from his supporters who accused Prime Minister Indira Gandhi of engineering it. She has denied this.

At least 25 people have died in protests in Andhra Pradesh since the dismissal.

Hyderabad has 5m people, 60 per cent Hindu and the rest Moslem.

Police said the attacks, mostly on Moslem-owned shops and homes, began simultaneously in the middle of the procession in which thousands of Hindus carried statues of Ganesh.

"It was a calculated attack on property with looting and burnings," a police officer said.

Meanwhile, police have arrested more than 1,000 people and tightened security in the Punjab state capital of Chandigarh to stop a banned rally tomorrow by protesting farmers, the official All-India Radio reported yesterday. Reuter

Christians flee to south Lebanon

BY OUR TEL AVIV CORRESPONDENT

HUNDREDS OF Lebanese Christians have sought refuge in Israel-occupied southern Lebanon in recent days as Christians and Muslim Druze forces battled each other in the Kharroub region, 24 miles south-east of Beirut, which separates the coastal highway from the Chouf mountains.

Israeli military patrols have crossed north of the Awall River, the Israeli front line in Lebanon, in recent days, apparently in an attempt to calm the situation.

The Army said these patrols were routine and designed to prevent the area being used again by Palestinian guerrillas as a base for attacks against Israel.

It is important for Israel that the Christians hold their positions in the coastal area so close to the Israeli front line. A defeat for the Christians there would mean another setback for Israeli policy in Lebanon.

It is not likely that the Israeli forces will make any major moves before a new Israeli Government is established.

Nora Boustany adds from Beirut: Shadowy Islamic groups have threatened to strike at U.S. interests in retaliation for the U.S. veto last week of a United Nations Security Council resolution condemning Israeli treatment of residents of southern Lebanon.

An anonymous caller claiming to speak for the "Islamic Jihad (holy war)" "Islamic Revolutionary Brigades" Saturday told two Beirut-based foreign news agencies that "very soon we shall strike at one of the vital American installations in the Middle East."

Chilean authorities have also lifted a measure against two Santiago radio stations.

The offices of three of the four publications affected by the decree - Analisis, Cauce and APSI magazines - were raided a week ago by government security agents who confiscated the latest copies of these periodicals.

Cauce magazine was initially ordered to stop publishing for five weeks; the latest prohibition on photographs and drawings supersedes the earlier publishing ban.

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Japan backs bilateral talks for North and South Korea

BY ROBERT COTTRELL IN TOKYO

JAPAN SUPPORTS bilateral talks between North and South Korea as a means of easing tensions on the divided peninsula, according to a joint communique issued at the end of South Korean President Chun Doo Hwan's three-day official visit to Tokyo.

The communique also expressed Japan's support for President Chun's proposal that North and South Korea should both be admitted to membership of the United Nations.

On the South Korean-Japan issues, the language of the communique was abstract and non-committal, containing many general expressions of intended co-operation but no new concrete proposals of significance.

Its friendly tone reflected, however, the achievement of President Chun's visit, officially, the first by a South Korean President to Japan, in generating goodwill. The most significant event of the visit was a welcoming speech made by Emperor Hirohito, Japan's head of state, in which he described Japan's colonial occupation of Korea from 1910-45 as "indeed regrettable" and "unfortunate."

The Emperor's speech was aimed at exorcising historical bitterness, lingering from the occupation period, which still tinges relations between the two countries.

Japanese reaction to President Chun's visit has been generally positive, though leftist opposition parties have regretted that the improvement of relations did not also embrace North Korea.

The Japan Socialist Party, the largest opposition party in the Diet (parliament), said it was concerned that the acceptance of both North and South Korea into the UN might serve to cement the division of that country.

Peking hopes to improve relations with Moscow

BY MARK BAKER IN PEKING

CHINA is hoping that the deadlock in Sino-Soviet relations will be broken by a meeting in several weeks between its Foreign Minister, Wu Xueqian, and his Soviet counterpart, Mr. Andrei Gromyko.

Chinese Communist Party General Secretary Hu Yaobang has said that China wants to use the meeting at the United Nations sessions which begin in New York at the end of the month, to revive its stalled dialogue with the Soviets.

"This meeting might be one of the most important events at the United Nations this session," Hu told a Japanese newspaper delegation in Peking.

"China wants to use this chance to increase its contacts and talks with the Soviet Union." But he added: "We are not confident that concrete results will be achieved."

In a further indication of China's desire to ease recent tensions with Moscow, Hu predicted an almost doubling in Sino-Soviet trade next year.

He said the two countries had recently exchanged lists of goods to be traded in 1985 under the annual barter trade arrangements and the level of trade "might be four or five million (Swiss) francs." This compares with a trade volume of SwFr 2.6bn (\$1bn) stipulated in this year's agreement.

Sino-Soviet relations, frosty for 20 years, have been particularly strained in recent weeks with both sides making severe criticisms of the other's foreign policies and with China accusing President Konstantin Chernenko of leading an anti-Chinese campaign since he came to power.

China to cut back on construction projects

PEKING - China will cut down drastically on major new construction projects in the next five-year plan from 1986, to economise and pave the way for a forecast economic boom in the 1990s, Chief Economic Planner Song Ping said.

Experience over the past few years shows that unchecked investment in construction projects puts a serious strain on central funds and strangles real growth, he told an annual national planning conference in Peking.

The New China News Agency said the State Planning Minister told delegates that during the five-year plan money would instead be concentrated on modernising and expanding existing enterprises.

This would save funds, shorten building time and lead to quicker returns, he said.

"The central task for the seventh five-year plan is to maintain a continued steady growth of the national economy and of people's living standards, and prepare conditions for an economic boom in the last decade of this century," he said.

Recently, China's economic leaders have said serious imbalances in the economy that were building up last year due to uncontrolled construction have been brought under control.

However, Prime Minister Zhao Ziyang has said the Government must still tread warily as it builds up revenues.

Advertisement for Cardhu 12 Year Old Highland Malt Whisky. Includes an image of the whisky bottle and a landscape illustration. Text: 'Discover the secrets of Cardhu. Cardhu stands highest of the many distilleries in the glens of Strathispey...' and 'Cardhu 12 Year Old Highland Malt Whisky. Distilled by CARDHU Distillery, Kneekando, Morayshire, since 1824.'

Venezuela optimistic over debt negotiation

Sr Manuel Apurua Arreaza, Venezuela's Finance Minister, said at the weekend that negotiations in New York to restructure much of the Government's \$27.5bn (\$21bn) foreign debt were moving in "a very positive direction" and that "the basis for an agreement should be reached in a short time."

Joseph Mann reports from Caracas.

Venezuela and a 13-member bank advisory committee, representing some 450 creditor banks have been holding talks since July 25 on restructuring the Government's foreign obligations.

Bankers here last week said that foreign banks offered to restructure \$16bn of the total over nine to 10 years at 14 per cent over Libor or 14 per cent over U.S. prime.

Bolivian arrests

Bolivian security forces have arrested several people suspected of plotting to overthrow President Hernan Siles Zuazo this weekend, a senior government official said, Reuter reports from La Paz.

Sr Gustavo Sanchez, the deputy Interior Minister, said the suspects, whom he did not identify, were being questioned about plans to kill government officials, military officers, politicians and trade union leaders.

Iraq reprieve

Mr Taha Yassin Ramadan, Iraq's first deputy Prime Minister, was quoted by Kuwait's Al-Watan newspaper at the weekend as saying his country has temporarily suspended attacks on shipping serving Iran's main oil terminal at Kharg Island "to give a better chance to peace."

Khameini in Tripoli

President Ali Khamenei of Iran arrived in Libya at the weekend after a three-day visit to Syria and was greeted by Libyan leader Col Muammer Gaddafi, the Iranian news agency Irna reported, Reuter reports.

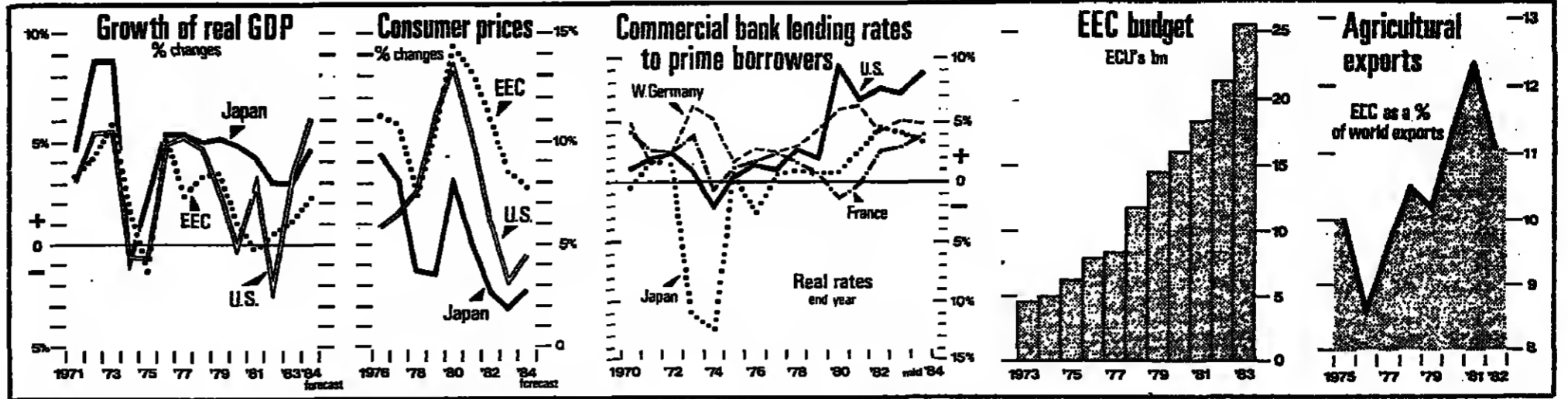
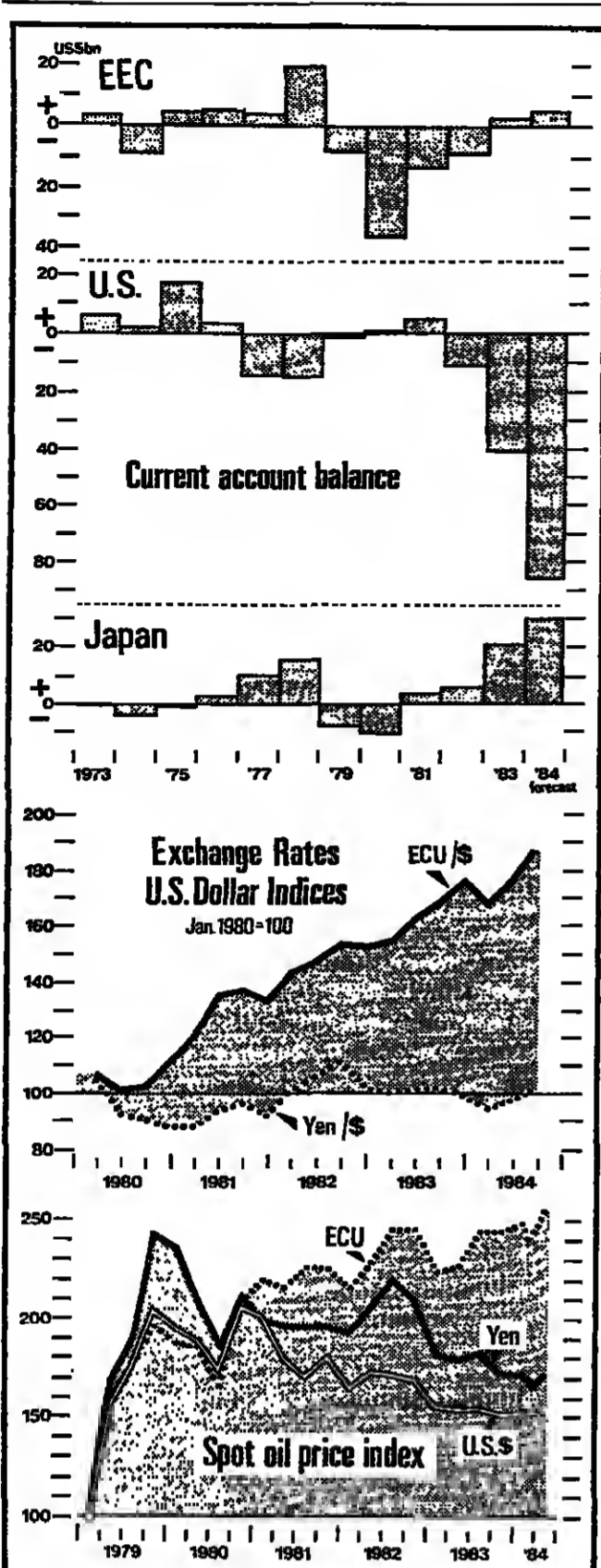
Botswana election

The ruling Botswana Democratic Party won a powerful majority in elections for the National Assembly in one of Africa's few thriving multi-party democracies, according to results announced yesterday, AP reports from Gaborone.

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STATISTICAL TRENDS: EUROPEAN COMMUNITY



Inflation declines but growth low

THE EEC nations have emerged from recession, but their expected growth in real gross domestic product this year, at around 2 1/2 per cent, is substantially below that forecast for the U.S. or Japan. Inflation has fallen, narrowing a gap with the U.S., and the current account has moved into surplus with a reduction in the differences between individual member countries.

Unemployment continues to increase, however, and interest rates remain high in nominal and real terms, influenced by the high U.S. rates where the funding of the deficit plays a dominant role. Government deficits as a percentage of GDP increased over the period of the recession from 1979 to 1982, but some falls occurred last year, reducing the overall EEC figure to 5.5 per cent. By 1985, forecasts by the European Commission indicate a further fall to 4.6 per cent.

The strength of the U.S. dollar against the European currencies has helped the competitive position of the Community. EEC unit labour costs have fallen relative to competitors by around 30 per cent from 1981 to 1983, while costs in the U.S. have increased by 30 per cent.

The strong dollar has prevented EEC countries benefiting from the fall in world oil prices. In European currency unit terms, oil prices have increased by about 10 per cent over the past year.

The EEC budget has grown markedly since 1973 but represents only some 2 1/2 per cent of national spending. Most

of the spending—63 per cent—goes on the Common Agricultural Policy, which took \$15bn in 1983. Continuing tensions arising from the issue of farm subsidies are set against the trend of real farm incomes. By 1981 they had fallen 8 per cent from 1975. Although 1982 saw a substantial increase in real terms, with a return to 1975 levels, a slight decline is expected when 1983 figures emerge.

The CAP has greatly reduced the need for imports of agricultural products, though the EEC is still a major importer. There has been a substantial increase in self-sufficiency in many areas, particularly milk products, cereals and sugar—leading to surpluses and a developing trade war with the U.S. in exports to third countries.

In volume terms, imports have changed little since 1972.

but exports have doubled, increasing the EEC share of world agricultural exports. Imports from the industrialised British Commonwealth have fallen in relative terms, while exports to Asian, Caribbean and Pacific countries are on the rise. EEC shares of world exports account for 10 per cent of cereals and 18 per cent of sugar. On milk products, the EEC have half the world exports of butter and cheese and between 30 and 40 per cent of world production.

At the same time, though, the Community is still the world's second largest importer of milk products, taking 10 to 15 per cent of world import trade.

In an analysis of economic trends in the EEC for 1984/85, the economic department for the Commission expects the current moderate growth of GDP to slow slightly next year to an underlying rate of about 2 per cent.

Private consumption in real terms should continue to grow and real disposable income is expected to increase. The substantial fall in the rate of inflation over the past three years should continue and further improvement is expected in the current account balance.

Although there may be a modest expansion in jobs in 1985, the continued expansion of the civilian labour force will lead to a further increase in the overall unemployment rate to around 11.5 per cent.

Unemployment %			
70	U.S.	Japan	EEC
71	4.8	1.1	2.7
72	5.8	1.2	3.0
73	6.5	1.4	2.3
74	4.8	1.3	3.0
75	5.5	1.4	3.1
76	9.3	1.8	4.5
77	7.0	2.0	5.2
78	6.9	2.0	6.5
79	6.8	2.0	6.5
80	7.0	2.0	6.0
81	7.5	2.2	7.1
82	9.5	2.4	8.1
83	9.5	2.6	7.5
84	7.0	2.7	10.5

Germany, France, UK, Italy, Belgium, Netherlands.
† Estimates. Source: OEC

General Government Financial Balance % GDP at market prices			
1971	U.S.	1975	1977
1972	1.7	0.5	-4.2
1973	1.4	0.5	-3.8
1974	-0.1	1.2	-5.7
1975	0.7	0.9	-2.2
1976	1.5	-2.7	-4.5
1977	-2.1	-5.5	-11.7

** OECD estimates/forecasts.*

Imports	
Agricultural products by country of origin	
%	%
U.S.A.	1973 17.2
Industrialised Commonwealth	1982 20.3
Mediterranean area	11.8
South America	15.7
Western Europe	10.3
ACP	10.8

Exports	
Agricultural products by country of origin	
%	%
U.S.A.	1973 16.0
Western Europe	1982 23.4
Mediterranean area	14.5
ACP	7.8

World Trade Exports	
% share	% share
U.S.	1972 12
Japan	1982 11.5
EEC	1972 8.8
	1982 17

Source: EEC Commission

JUNE 1984 NEW ISSUE

This announcement appears as a matter of record only.



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WORLD TRADE NEWS

UK NEWS

Hong Kong backs defiance of U.S. textile curbs

BY DAVID DODWELL IN HONG KONG
HONG KONG textile manufacturers which defy stringent new curbs on exports to the U.S. and continue to ship goods in accordance with existing bilateral agreements...

Singapore, Japanese venture wins MRT deal

By Chris Sherwell in Singapore
A JAPANESE-SINGAPORE joint venture has won a major \$816.4m (£60m) construction contract to build the main depot for the island state's mass rapid transit (MRT) metro system...

Ministers seek to settle BA route transfer row

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT
EFFORTS will be made this week at ministerial level to try to settle the increasingly bitter row over proposed route transfers from state-owned British Airways (BA) to the UK independent airlines...

Farmers' milk quota trade may be curbed

BY Andrew Gowers
THE MINISTRY OF Agriculture is expected to take a first step this week towards regulating a growing trade in milk production quotas among dairy farmers...

Rules raise few fears in Taiwan

BY ROBERT KING IN TAIPEI
TAIWAN IS not complaining about the U.S. Government's new regulations covering textile imports, because their effect on this country is likely to be minimal...

Social Democratic Party conference

More aid urged for developing countries

By Kevin Brown
A BIG INCREASE in aid to the Third World financed by much higher economic growth rates in the industrialised countries, was called for by the Social Democrats' conference...

Owen rejects merger with Liberal Party

BY PETER RIDDELL, POLITICAL EDITOR
DR DAVID OWEN, leader of the Social Democratic Party (SDP), yesterday firmly rejected a merger between the SDP and the Liberals before the next general election...

Jaguar faces pay challenge from unions

BY Tony Morrison
JAGUAR CARS, recently returned to the private sector, faces its first challenge from the trade unions - at the bids emerging from its factories...

EEC to probe titanium dumping

BY PAUL CHEESRIGHT IN BRUSSELS
TITANIUM products used in high technology industries such as aerospace have been drawn into the complex of trade rivalries between the three leading powers of international commerce, the EEC, the U.S. and Japan...

'Avoid courts in recovering Latin American debts'

By Christian Tyler, Trade Editor
COMPANIES WITH trade debts in Latin America should move quickly when payments fall due but should go to law only as a last resort, according to professional debt collectors...

Government urged to change Falklands policy

BY IOR OWEN
LEADERS of the Social Democratic Party won overwhelming support from their rank and file supporters for their demand that the Government launch a diplomatic initiative aimed at ending the need for the costly 'Fortress Falklands' policy...

Philips agrees compressor deal with China

By Our Trade Staff
CHINA'S National Technical Import Corporation and Philips, the Dutch electronics concern, have concluded a £170m (£16.6m) contract which will enable the Ministry of Light Industry to set up a modern production facility of high-quality compressors in the corporation's Peking refrigerator factory...

Spanish car sales wipe out UK trade surplus

BY DAVID WHITE IN MADRID
THE SHARP rise in sales of Spanish-made cars in the UK - a lone of contention in the British motor industry - is the main factor to have cost Britain the surplus which it achieved last year in its trade with Spain...

Failure to end unitary tax 'upsets UK groups'

BRITISH companies were greatly worried by the failure of states in the U.S. to repeal unitary taxation legislation, Sir Terence Beckett, director general of the Confederation of British Industry, said...

NATIONAL DOCK DISPUTE CAUSES INCONVENIENCE BUT NOT WIDESPREAD DISRUPTION

Industry gets around the strike
Even so, ports normally handling roughly 60 per cent of non-fuel seaborne trade are open, and companies have generally been able to switch imports and exports, where necessary, to other major ports...

SHIPPING REPORT

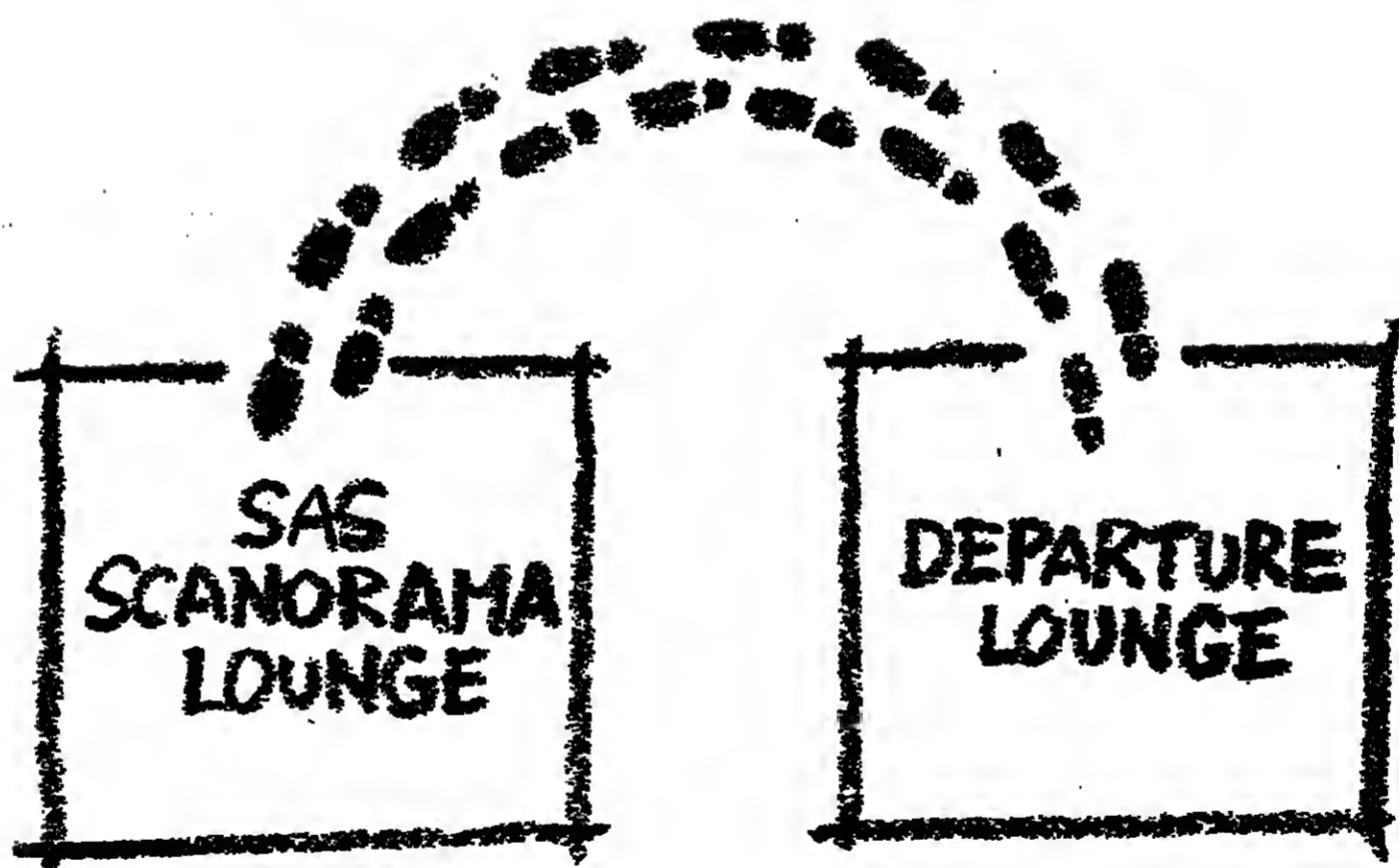
Dry cargo activity rises

BY ANDREW FISHER, SHIPPING CORRESPONDENT
ACTIVITY PICKED up in dry cargo markets last week, with higher rates for grain across the Atlantic. Inquiry was more lively than in previous weeks...

World Economic Indicators table showing unemployment rates for various countries from August 1984 to August 1983. Columns include country, unemployment rate, and date.

Vertical text on the right margin: HE... D... J... W... H... P... and tr... You'll fi... and ma... facilitie... lounge... another... themse...

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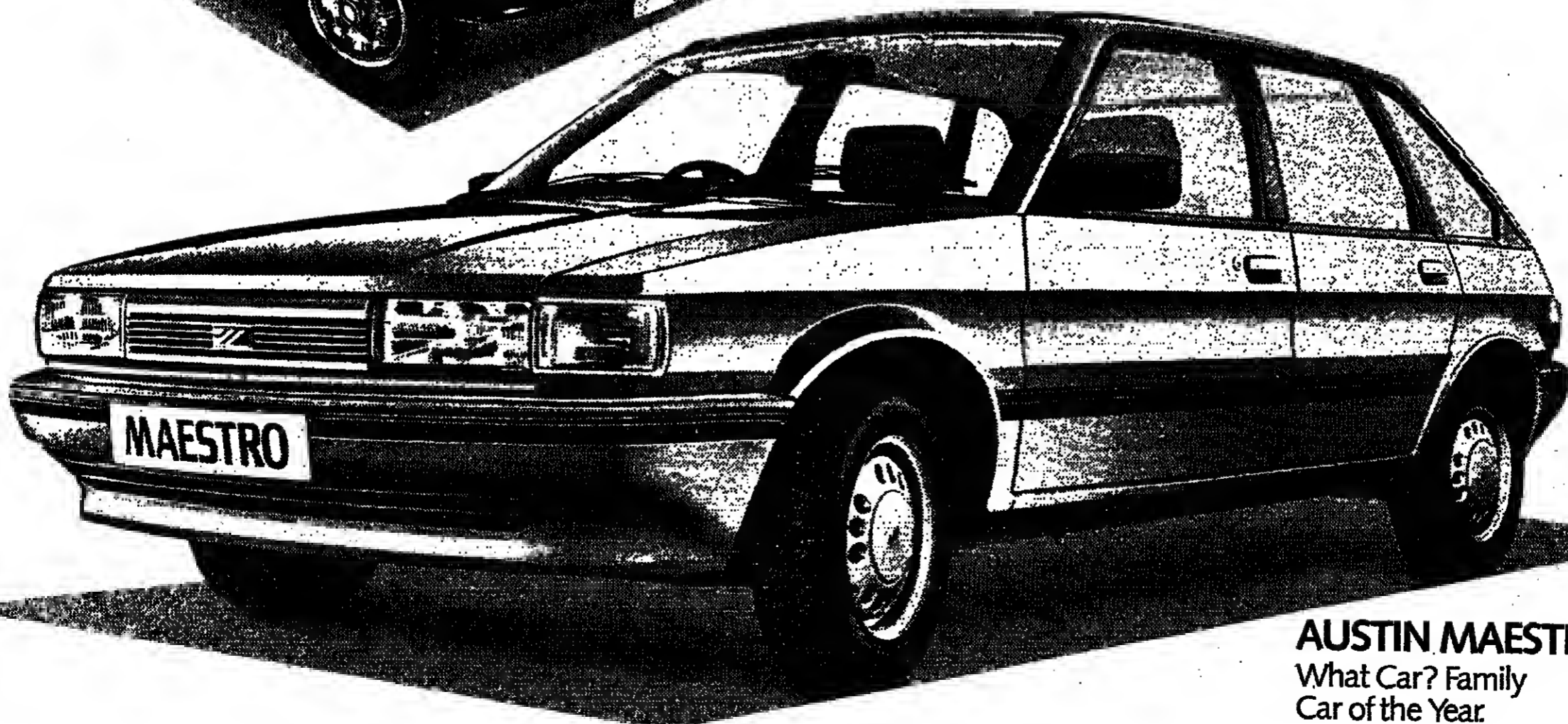
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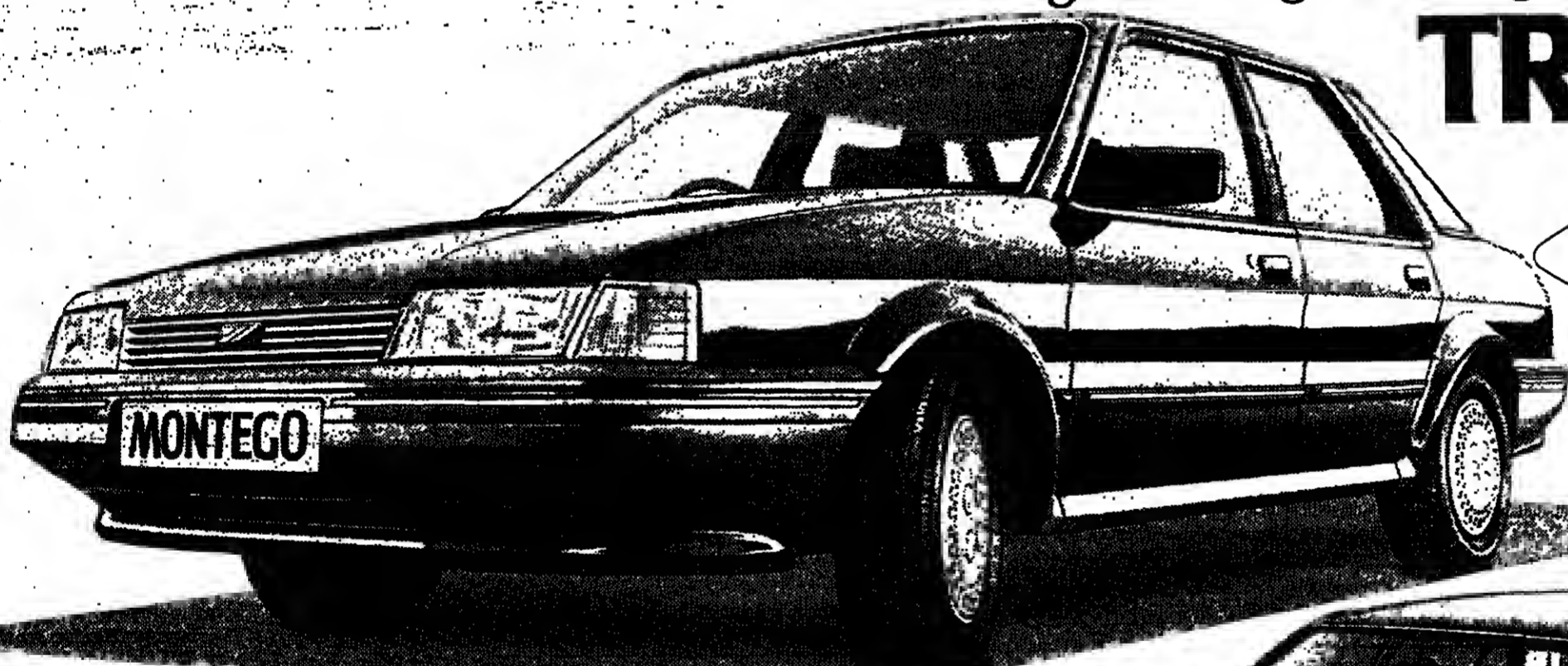
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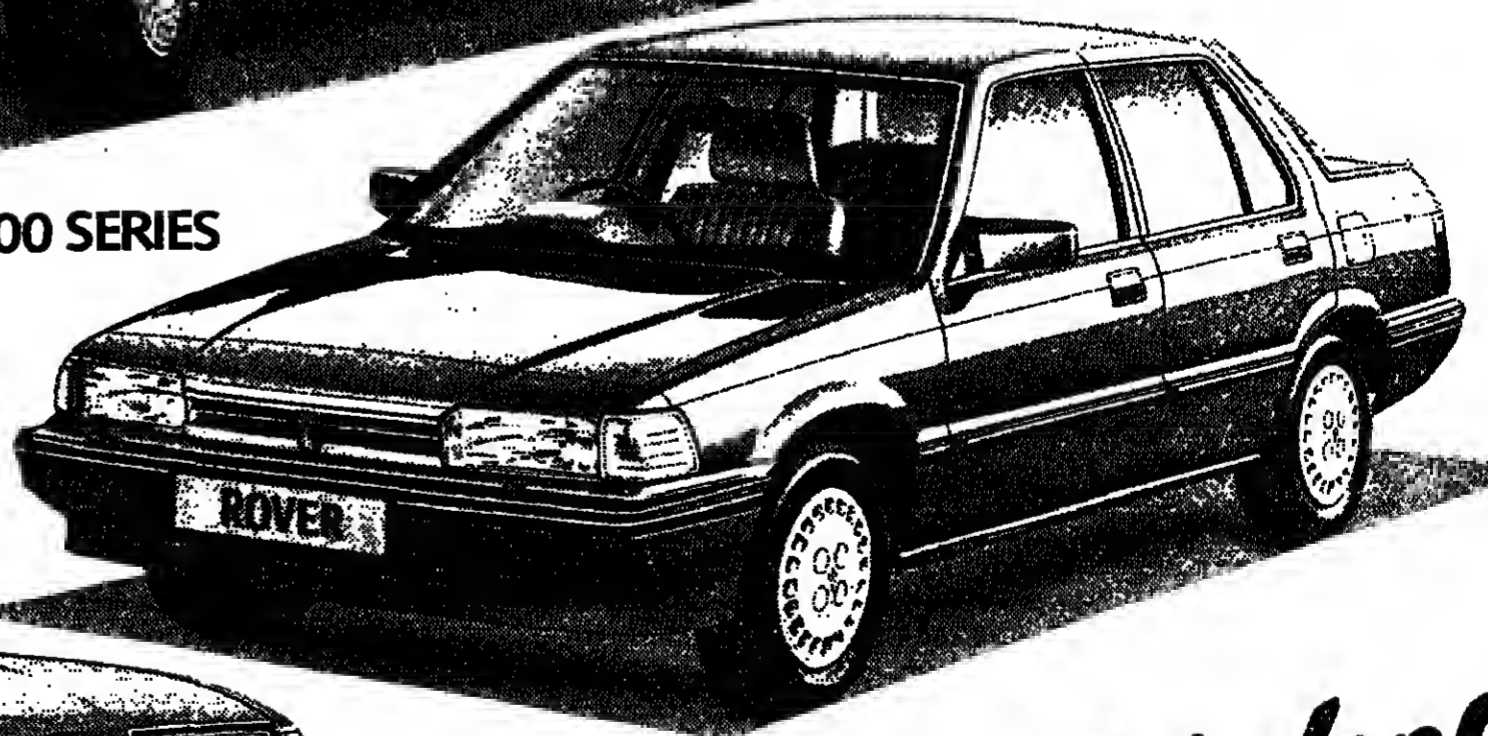


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UK NEWS

Treasury presses for urban aid cuts to meet spending target

BY PETER RIDDELL, POLITICAL EDITOR

THE TREASURY is pressing for substantial cuts in planned public expenditure on house improvement grants and on urban aid to help offset large unavoidable increases in spending on other Whitehall programmes.

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Discounts return to truck market

By Kenneth Gooding, Motor Industry Correspondent

DEEP DISCOUNTING has returned to Britain's heavy truck market even though sales so far this year have improved considerably from the 1983 level.

According to its rivals, Scania of Sweden has been particularly aggressive - with some success. Its registrations have leaped by 81 per cent in the first eight months of this year, from 1,104 to 2,000 trucks.

Insurance company assets rise 19%

BY ERIC SHORT

TOTAL market value of UK insurance company assets at the end of 1983 was £114.5bn - 19 per cent more than at the end of the previous year - according to figures published in the latest edition of British Business, the journal of the Department of Trade and Industry.

at £35bn accounted for over one third of the total, with a strong rise in unit trust holdings - reflecting the continued growth of unit-linked life businesses.

Overseas company securities at £7.7bn accounted for 8 per cent of total assets, while holdings of overseas government securities at £1.15bn doubled during the year.

General insurance funds rose 15 per cent in 1983 to £18.0bn, with the continued growth of a quarter of this total and overseas government securities another 5 per cent. UK equities accounted for a further quarter, overseas equities 7 per cent and property 9 per cent.

INQUIRY REOPENS INTO SIZEWELL REACTOR Miners set for another battle

FINANCIAL TIMES REPORTER

AS PUBLIC attention focuses on the miners' strike, the National Union of Mineworkers (NUM) is set to fight again on its other battlefield.

There is a need to increase reliance on nuclear power to protect electricity consumers from the threat of disruption. Before the strike led to an increase in the use of expensive, oil-fired stations, coal contributed 80 per cent of the nation's power.

are greater than for coal-fired generation. The Government's Health and Safety Executive has already told the inquiry that, even taking into account the mining of uranium and coal, the risks associated with nuclear and coal power are of a similar level and are small compared with dangers faced in other industries and in everyday life.

Advertisement for Kyowa Bank featuring a stylized 'V' logo and text: 'In the age of technology, people still make the difference in reliable banking services. That's why Japanese for people, has special meaning at Kyowa Bank. Kyowa, one of Japan's leading commercial banks, confronts the new financial era with Vision, Vigor and Vitality. Plus 237 domestic branches, a growing emphasis on international operations and expanded electronic banking services. In Japan and overseas, we're prepared to serve our clients with a capital V.'

Advertisement for Barclays Merchant Bank Limited: 'ANNOUNCE THE OPENING OF THEIR MANCHESTER OFFICE ON 10th SEPTEMBER 1984. BARCLAYS MERCHANT BANK LIMITED. Executive Director: Magnus C. Mowat. York House, York Street, Manchester, M2 3BB. Telephone: 061-832 7222.'

Advertisement for The City of Winnipeg (Canada): 'Canadian \$50,000,000. 12 3/4% Debentures due September 30, 1991 Series UY. The following have agreed to subscribe or procure subscribers for the Debentures: Wood Gundy Inc., Algeme Bank Nederland N.V., Banque Bruxelles Lambert S.A., CIBC Limited, Credit Suisse First Boston Limited, Morgan Guaranty Ltd, Orion Royal Bank Limited, Swiss Bank Corporation International Limited.'

Advertisement for Paris heads guide to business living costs: 'By David Churchill, Consumer Affairs Correspondent. FRANCE is the most expensive country in Europe in which to base a sales manager, according to a guide to West European living costs published today by the Confederation of British Industry. The guide by the UK employers' association, the CBI, to be published, shows that a British company sending a sales manager to Paris would have to pay him £31,271 a year to compete with the salaries paid in the French capital.'

Advertisement for UK tourism increases: 'By our Consumer Affairs Correspondent. MORE BRITONS are travelling away from home than ever before, and an increasing number are staying in Britain rather than going abroad, according to a survey published today. The survey, by the UK tourist board, found that Britons took a record 150m tourist trips in 1983 and spent a total of 730m nights away from home, the highest number recorded over the past decade. The 150m trips were 7 per cent higher than in 1982 and the nights away from home were up by 6 per cent.'

BUSINESSMAN'S DIARY UK TRADE FAIRS AND EXHIBITIONS

September 10-11 The Textile Institute: Textile design strategy—from yarn to the consumer (061-634 8487) London
September 10-14 University of Wales Institute of Science and Technology. Ships' costs (0223 42688) Cardiff
September 12-14 INSIG: international seminar on bank staff management (Paris 223-07-24) InterContinental Hotel, Paris
September 14 The Economist: Reforming British taxes—can fundamental reforms succeed where piecemeal changes fail? (01-839 7000) 116 Felt Mall, SW1
September 16-18 Metal Bulletin's third international aluminium congress (01-633 0529) Muncha Sheraton
September 17 Longman Seminars: Cross-border financial planning for individuals—a passport to successful tax planning (04-242 2248) Barbican Centre, EC2
September 18 Munnack/Middle East Association: Islamic banking—its impact on world financial and commercial practices (01-253 5909) London Press Centre
September 18-20 Reinsurance Management Institute: Fundamentals of reinsurance (Texas 214) 721 5360)
September 18 The Wimborne International Group: Combined heat and power/district heating—the Swedish experience (01468 783025) Westminister
September 19 PricewaterhouseCoopers: Innovations in foreign exchange (01-229 8244) London
September 20-21 Business Research International: Foreign currency options—profitable opportunities for traders, hedgers and investors (01-637 4383) Hotel Inernational, Zurich
September 20-21 Metal Bulletin: Second International Barter Conference (01-330 4311) Intercontinental Hotel, Vienna
September 22-26 Philips Stock Exchange: First International Foreign Currency Options Symposium (01-806 2348) Four Seasons Hotel, Philadelphia
September 22-24 Weisweller Adfos: Innovations in foreign exchange (01-229 8244) London
October 1-3 International Autumn Fair (01-486 1951) (until September 16) Zagreb
October 12-19 International Engineering Fair (021-456 9600) Erno
October 13-15 International Fashion Fair (01-591 2606) Vienna
September 16-9 International Hardware Show—(OIJEM) (01-439 3964) Paris
September 25-29 Computer Graphics Exhibition—CAMP (01-739 3061) Berlin
October 9-12 International Machine Tool Trade Fair—INTERTOOL (01-881 2606) Vienna
October 10-12 Hong Kong Toy and Gift Fair (01-930 7965) Hong Kong
October 13-21 International Communications Trade Fair (01-456 8886) Sze Paulo
October 20-November 2 Hotel Facilities & Construction Materials Exhibition. INTER HOTEL (01 236 2399) Beijing
October 25-28 MAB (0727 63213) (until September 12) Earls Court
October 28-30 International Business Equipment Exhibition (01-647 1001) Earls Court

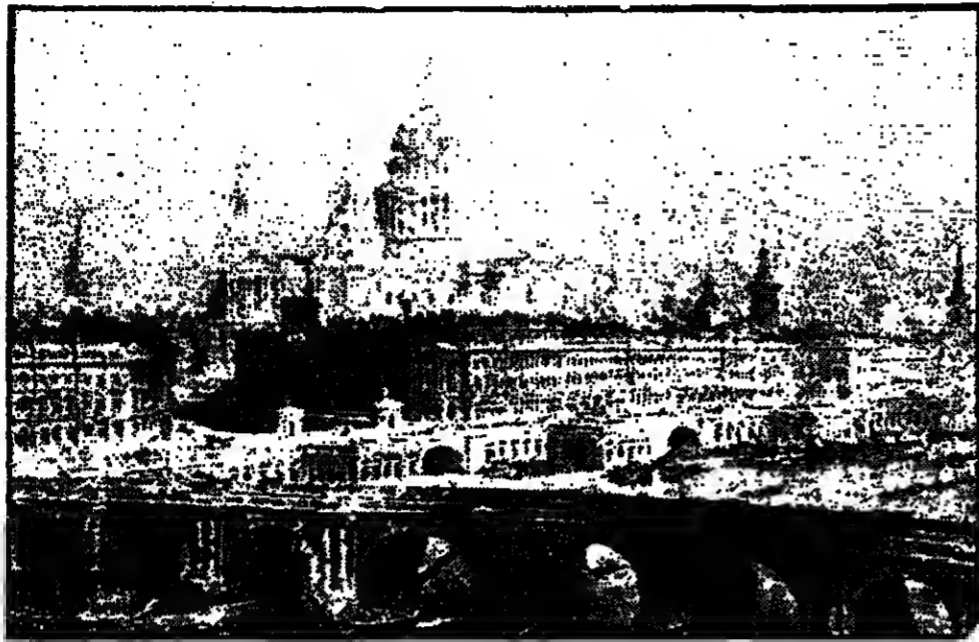
Advertisement for Multiple Sclerosis Society: 'INVEST IN 50,000 BETTER TOMORROWS! 50,000 people in the United Kingdom suffer from progressively paralysing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE. We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH. Please help—Send a donation today to: Room F1 The Multiple Sclerosis Society of G.B. and N.L. 284 Munster Road Fulham, London SW6 6BE

Advertisement for DEREK CROUCH PLC: 'Interim Report for the Half Year to 30th June, 1984. 1984 First six months 1983 First six months Year 1983. Turnover 32,522 28,825 81,118. Profits Before Tax 516 177 888. Earnings per Share 2.32p 2.29p 2.6p. Dividends (Net) 1.63p 1.63p 5.05p. Statement by the Chairman, Mr. D.G.H. Crouch: "I have pleasure in reporting much improved pre tax profits for the first half of 1984 compared with the same period last year, demonstrating that the actions the Board has taken to meet the changing and more competitive business climate over the past few years are beginning to bear fruit. In the U.S.A., Power incorporated has benefited from a small increase in coal prices which, together with a continued improvement in operational costs, has resulted in a marked change in this Company's fortunes. Despite the imminent threat of a UMW strike, the outlook is encouraging. The U.K. mining company continues to achieve a satisfactory return under difficult circumstances. We have recently been awarded a 10 year contract in S.W. Scotland with the N.C.B. for the recovery of 2.9m tonnes of coal. The Construction Company continues to improve as the planned change in the emphasis and direction of its business, as outlined in my statement in March, is progressed. However, the outcome of the hospital claim has not yet been determined. The Sales Company has commenced manufacturing a new product range under the registered name of "BAKPAK", a load-carrying car trailer without road wheels. Although it is an early days in this product's life the initial indications of the market and profit potential are encouraging. The financial position of the Company is very sound, with overall borrowings well within acceptable levels and substantial additional banking facilities available to the Company. A maintained interim dividend payment will be made on 29th October, 1984." DEREK CROUCH PLC Head Office: Peterborough PE6 7UW Telephone: Peterborough (0733) 222341. Telex 32129

THE ARTS

Architecture
Colin Amery

Visions of the capital



Thomas Allom's vision of an improved Thames in 1846

Getting London in Perspective is the capital's major contribution to this year's Festival of Architecture and as a result the Barbican Art Gallery will be staging until October 28 one of the finest displays of architectural drawings likely to be seen in the City.

Like all the best exhibitions, this one has behind it a serious idea. It is not just a range of views of London but an investigation of how the capital has been seen by that rare cross-breed (half artist and half technician), the architectural perspectivist.

These cool and classical visions of London are almost heart-rending when seen through present day eyes—how this great city has suffered, as much from the Victorians as from the bombs of the Second World War.

These cool and classical visions of London are almost heart-rending when seen through present day eyes—how this great city has suffered, as much from the Victorians as from the bombs of the Second World War.

giving a visual base in scale with St Paul's Cathedral—something that Wren would have liked. It is sad indeed that Joseph Bazalgette's heroic figure of Neptune on its granite plinth never arrived to grace his Embankment.

Americans have become more welcome in Niagara-on-the-Lake since they burned down the Ontario town in 1813. Rebuilt in provincial wooden Victorian architecture, with carved facades and plank porches, the town makes an attractive setting for the Shaw Festival.

Shaw Festival/Ontario
Frank Lipsius
The pink and green chintz sofa. The cosy interior is disturbed by powers without, from extinct animals to the freezing weather, ushering in a new ice age.

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Three exhibitions at the Barbican Art Gallery
An unexpected view of London, past, present and as it might be, is presented in an exhibition at the Barbican Art Gallery which opened this week.

Andrew to illustrate the 18th century wall calendar, together with a selection of 150 other photos showing the use of the taking and printing of them, will form the Barbican Art Gallery's first photographic exhibition, from September 18 to October 28.

For children, illustrations by Anthony Browne from his latest book The Visitors and Come to Stay, written by Annalena McAfee (publisher Hamish Hamilton), will be on show in the foyer of the Barbican's level 4.

'Mozart Explored'
Jane Glover, the new artistic director of the London Mozart Players, has announced details of the orchestra's forthcoming season of two concerts at the South Bank. For the season, she has devised a series of ten concerts called Mozart Explored, which concentrate entirely on an exploration of the life and works of the composer.

Osud/Coliseum
Max Loppert
The stages in the British discovery of Janacek's Osud (Fate)—second in the line (after Jenůfa) of his mature operas, and until recently the stepchild among them—have been gradual but insistent.

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Hamlet/RSC, Stratford
Michael Coveney
Roger Rees has a couple of first-class acts to follow this season. To wit Kenneth Branagh's Henry V and Anthony Sher's Richard III. And his task is made no easier by the fact that he has been an obvious Hamlet for several years not least because of his triumph as Nikolai Erdman's farcically suicidal ditherer Semyen in his last major collaboration with the director Ron Daniels.

But Rees comes through the ordeal with flying colours, presenting a genuine chameleon Prince whose hesitancy and nervousism is channelled through a series of startling Bedlamite phases before hardening, at the fatal duel, into a calm and acquiescent resolve. The actor is in firm control throughout. As the court assembly in black court robes echoes the brick court of Jacobean courtyards in grey costumes underneath black draped ehandeliers which fly in with two great Perspex-balloasted stairways set at right angles to the audience, Rees mopes in black in the middle distance. He sits weakly on the stairs as Claudius announces his new wife. His gait is tentative, his stride that of a man worried about standing on files or perhaps cracks in the pavement.

On the ghost he adopts a comical mad act, arms akimbo and eyes agape at the old fellow in the cellars. The actor's great talent for transmitting a quality of febrile energy gives Hamlet's indecision all that more paradoxical an urgency. By the time Frank Middlemass's benignly winking Polonius is greeted as the fisherman, Rees has a drooping sock, a torn shirt and a tousled hairstyle.

Almost unprecedentedly, the interval is taken en route to the closet scene, a few maternal cries interpolated as Hamlet exits. The only problem is that the dramatic momentum of that great central sequence flowing from the play scene through Polonius's murder to the banishment to England is seriously disrupted. It does not make much sense, this interval placement. But nor is the sequence helped by the seriously underpowered Gettrude of Virginia McKenna—a nice lady from Farnham or Frinton, you feel, apparently untouched in the great emotional conflicts Gertrude undergoes between new husband and disaffected son. Opposite her, is the ranting, booming Claudius of Brian Flesher whose strained intensity with the verse is partly redeemed at the one moment where you suddenly see the marriage freeze as he declares his soul is full of discord and dismay.

Lois of shouting, too, from Richard Easton's Ghost, who emerges from a billowing traverse which Chris Ellis's lighting decorates with scudding clouds, the minute something portentous or otherworldly is about to happen. And weighing in behind all that is the score of Nigel Hess. Phoebus' Cart seems to have been unhit by the Players, who are admirably led by Bernard Hoosfall fooling me for one glorious moment that John Barton was at last extending his thespian fame from Chunnel 4. Sebastian Shaw is a touchingly doddery Gravedigger, and Kenneth Branagh an outstanding Laertes. His sibling relationship is one of the evening's strongest elements. In fact, too, Frances Bacchew's Ophelia, too, is a great success—her pitiful snatches of song are drowned out in her own great floods of heaving sorrow. Nicholas Farrell is a distinct and audible Horatio.

Arts Guide
Music
LONDON
BBC Symphony Orchestra conducted by David Atherton with Alexander Skolnik, cello. Britten, Walton and first performance of Colin Matthews' Cello Concerto. Royal Albert Hall (Mon) (589 9465).

Arts Guide
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WORLD VALUE OF THE POUND every Tuesday in the Financial Times

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FINANCIAL TIMES BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

High costs of collaboration

THE PROPOSED European Fighter Aircraft which, with the accession of the Dutch last week, involves the European governments, will be a crucial test of European collaboration in defence procurement.

in the early negotiations over the EFA there has been much haggling between the three senior partners - Britain, France and West Germany.

Economic threat to Israel

ISRAEL takes justifiable pride in the democratic values it has established amidst the dictatorships and traditional monarchies of the Middle East.

Israel's true friends in the U.S. and the outside world should resist such appeals. Whatever coalition of leaders is finally formed after July's indecisive elections, the people and politicians of Israel must bear the costs of creating a stable self-sufficient economy.

MRS INDIRA GANDHI, India's Prime Minister, whose family has ruled the country for most of the past 37 years, is preparing the ground for the general election she is due to hold by mid-January.

This single fact lies behind virtually all the stormy, and sometimes violent, political events that have hit the country recently. They include the dismissal of a state government led by a former film star N. T. Rama Rao in Andhra Pradesh, the continuing Sikh crisis in the Punjab, the handling of the troubles in Sri Lanka and, on a different level, the transfer of India's highly respected Industry and Commerce Minister to run the electorally significant northern state of Uttar Pradesh.

Every corner of the country has its own traditions, tensions and tensions complicated by increasingly regional pressures like those that helped to put Rama Rao's fledgling regional Andhra Pradesh Party into power 21 months ago.

heart problem has now become a significant factor in Indian politics. If, as is quite possible, he strains his emotions too much and dies addressing rallies of more than 100,000 to see him almost every night, a national folk hero will certainly have been created.

In the event, Rama Rao's

INDIAN POLITICS Mrs Gandhi brings down a heavy hand

By John Elliott in New Delhi



The sensitive states

OF India's 22 states, nine are especially sensitive politically and they fall into two broad groups: 1—States where the elected government has been toppled or is under pressure because it is not in line with the central Government and Congress party of Mrs Gandhi.

turn this aging and not specially able administrator—who entered politics only two years ago and became a curiosity because of his film star past—into a potential national figure.

The Rama Rao affair has thus accentuated Mrs Gandhi's basic insecurity. Some weeks ago her aides are believed to have estimated that she might lose a significant number of seats in

assemblies have been suspended and they are being ruled direct from New Delhi via the states' governors.

2—Other states where Mrs Gandhi urgently needs better support. She is hoping to go a seat-sharing deal with a regional party called AIADMK in Tamil Nadu. She has sent two senior ministers to organise support in the key northern state of Uttar Pradesh where she is left-handed by Mrs Maneka Gandhi, her estranged daughter-in-law, who is standing for the town of Amethi against her son and potential heir Mr Rajiv Gandhi.

the south of India in the general election instead of picking up extra seats to offset possible losses in the north. Despite demerits from her and from Congress Party leaders, it is now widely believed in India that on August 15 Congress I decided to try to oust both Rama Rao and the Janata Party's government in the neighbouring state of Karnataka.

India has 22 states, each with a government headed by a Chief Minister elected every five years, usually at the same time as the general election. Each state also has a governor chosen by the Prime Minister and appointed by the country's President. The governors are supposed to sit above party politics, acting like the national



Mrs Gandhi does all this for two main reasons. One is to bolster her own national position. The other is to gain control of the states before the election so that she can use the administrative machinery and police for the benefit of Congress.

Whether such moves—for which Mrs Gandhi and her aides deny all responsibility—are counter-productive is open to debate. The Rama Rao episode may well, many observers think, lose Mrs Gandhi the gains in electoral popularity among the country's majority Hindu population that she won by dealing firmly with the Sikhs in the Punjab Golden Temple.

In the heat of the pre-election period many of the economic and social advances Mrs Gandhi has made since she last became Prime Minister in 1980 are forgotten as public attention is concentrated on her political manoeuvrings.

Overtaking in Disneyland

The battle for the Walt Disney film and entertainment empire is becoming as packed with thrills and spills as any Tom and Jerry adventure.

force. He might be able to marshal around 10 per cent of the equity through the holdings of his wife Diane and her close relatives.

But Jacobs will not have it all his own way. The equally renowned investment clout of the secretive Bass family, reckoned to be one of the richest dynasties produced by Texas oil is also involved with 3.5 per cent of the action acquired some months ago.

Men and Matters

Every three Japanese office workers in the Tokyo-Yokohama conurbation has a travel-to-work time of between one and two hours.

Urban roads and those of Tokyo, in particular, are so impossibly congested that it is hardly worth the while of Japanese commuters to opt out of trains and into private cars.

Even though he lives and works in Langholm, in the Scottish borders country, John Packer is not normally associated with the tartans of his adopted land.

Off the shelf

China's Communist party, which is running a campaign to marry-off the over-30s, has told today's hearts in Peking to be less choosy about prospective mates.

Some take the trouble though. A recent paper from the Tsinghua Bank suggests that some salarymen are nothing if not determined. "In order to avoid traffic congestion," says the bank, "some of us using commuters in Tokyo speed into the heart of the city in the congestion free small buses, sleep for a while in the park in front of the Imperial Palace, and then eat a boxed breakfast brought from home before going in to their offices."

Highland rig Even though he lives and works in Langholm, in the Scottish borders country, John Packer is not normally associated with the tartans of his adopted land.

Under-subscribed

Meanwhile the following has been spotted in the Irish Times. A Post Office sorter came across a letter addressed simply "God, Heaven."

A week later another letter arrived, addressed "God, Heaven." The sorter opened it. It was a thank you note from the widow saying that she had received £90. "As you know," the letter went on, "the bill was for £90, but I suppose those thieving so-and-so's in the Post Office pinched £60 out of the letter."

Love match The personal assistant to Jill Love the advertising and administration manager for Hawker Siddeley is called Tina Venus.

BASE LENDING RATES

Table listing various banks and their base lending rates, including A.B.N. Bank, Allied Irish Bank, Amro Bank, etc.

FINANCIAL TIMES SURVEY

Vehicle finance and leasing

The sector has been little affected by the Budget tax changes but tighter accounting rules may provide a future challenge. Users are benefiting from more sophisticated packages

Innovation brings new opportunities

"THE UK leasing industry has been shaken to its core by fundamental changes in Britain's tax structure" was how the trade journal *Leasing Digest* summed up the impact of Chancellor Lawson's Budget last March.

By Michael Prowse

However, vehicle leasing has been largely unaffected by the changes and leading companies in the market say their business is "reasonably buoyant"—in spite of the sluggish sales of new cars in August. This is no contradiction: the vehicle leasing industry experienced its tax Waterloo five years ago—and emerged with flying colours.

It was in 1979 that the incoming Conservative government decided to clamp down on tax benefits for cars: 100 per cent first year allowances were scrapped and 25 per cent writing down allowances substituted in their place—the regime to which the rest of the leasing industry must adapt by 1986.

Only the comparatively small commercial vehicle segment of the market must now adjust to the loss of 100 per cent allowances: 85 per cent of vehicle leasing stands to gain from the

(the companies that lease equipment from lessors) should capitalise finance leases in their accounts. The argument for this has nothing to do with capital allowances.

The rationale for capitalisation, which is required in the U.S., was outlined by Mr Ian Hay Davison, who was responsible for SSAP 21 during his two-year stint as ASC chairman, in the foreword to the accounting standard.

An asset, whether it is owned, leased or held under a hire-purchase contract, represents an economic resource for a business which the accounts ought to reflect in a consistent manner.

Misleading
If leased assets are not capitalised, "potentially large liabilities can build up off a company's balance sheet." Its accounts will present a misleading picture—both to external users and managers. Return on capital employed can appear artificially high and gearing will be understated.

The ASC recognises that capitalisation may cause transitional difficulties for lessees so it has given the industry plenty of time to prepare for the change: the requirement does not take effect until 1987.

Will the new capitalisation condition cause a shrinkage of the vehicle leasing market? Lessors are naturally playing down the problem, Mr Chick Hender-

son, managing director of Dial Contracts, for example, does not deny that SSAP 21 will have an effect. But he doubts whether the desire to keep liabilities off balance sheet was ever an important motivation for vehicle leasing.

In any case the capitalisation requirement applies only to finance leases—leases that "transfer substantially all the risks and rewards of ownership of an asset to the lessee," in the jargon of SSAP 21.

An expanding sector in vehicle leasing is contract hire and fleet management. Under contract hire, a car is leased for a fixed period—say two years—and the lessor takes responsibility for resale; the lessee avoids the risk of misjudging the rate of depreciation and consequently in future the need to

capitalise the asset. Vehicle leasing statistics are notoriously poor. The most comprehensive figures are supplied by the British Vehicle Rental and Leasing Association (BVRLA). It estimates (see table) that its members, car fleets account for 45 to 50 per cent of all cars leased in the UK. This suggests there are about 3m vehicles operated under finance leases, contract hire or fleet management arrangements.

The BVRLA's statistics provide confirmation of a steady expansion of vehicle leasing and contract hire in recent years. Since 1981, for example, the contract hire market has grown by about 20 per cent.

Mr Oliver Dawson, secretary of the BVRLA, reckons this steady expansion should continue. But, he argues, there is one cloud on the horizon, which affects the entire UK motor industry. This is the proposal from the European Commission in Brussels to restrict the divergence in the prices of new cars in the EEC to 12 per cent. If this rule were implemented—which would not be for at least a year—it could mean sharp falls in the price of new cars.

The contract hire market would be affected because the price of secondhand cars—"residual values"—might also plunge. But ahead of the change, leasing might be boosted as companies waited for new car prices to fall.

It may be that the growth of contract hire and fleet management has comparatively little to do with narrow finan-



Fleet analysis: 1981-83

Chauff./ Private Hire Units	Self-drive rental			Contract hire/leasing/FMS				Total					
	1982	1982	1981	1983	1982	1981	1982	1981	1982	1981	1981		
Units	Units	Total	Total	Units	Total	Total	Units	Total	Total	Total	Total		
Cars (incl. estate cars)	556	54,930	72.4	71.5	72.7	198,726	86.1	85.9	84.4	254,212	82.7	82.5	81.1
Light vans and conversions (not exceeding 35 cwt)	—	14,967	19.7	20.8	18.8	18,972	8.3	8.8	9.3	33,939	11.1	11.6	11.9
Commercial vehicles/tractors	—	4,981	6.6	6.4	6.5	9,760	4.2	4.4	5.1	14,741	4.8	4.9	5.5
Trailers	—	1,084	1.3	1.3	2.0	3,409	1.4	0.9	1.2	4,413	1.4	1.0	1.5
Total	556	75,832	100%	100%	100%	238,867	100%	100%	100%	307,305	100%	100%	100%

Source: British Vehicle Rental and Leasing Association.

efficiently than the medium-sized company which is in business to make and sell widgets.

The rhetoric of contract hire and fleet management concerns has proved particularly convincing because recession has left companies more cost-conscious—and more concerned about cash flow. Leasing reduces risk in two ways. Rentals can be pre-set for, say, two years so the client can budget ahead knowing that fleet costs will not suddenly escalate.

Secondly, contract hire allows the lessee to ignore the vagaries of the second hand car market. Firms which manage their own fleets tend to concentrate unduly on initial purchase costs and overlook the difficulties of forecasting future "residual values."

Discrepancies in resale values are often more important than variations in purchase prices. With the recent slump in second hand values, more companies now want the professionals to bear this risk.

The average company, for which cars are a sideline, is also likely to lose money on maintenance as it will lack the sophisticated computer monitoring available to the specialist fleet manager.

Vehicle leasing has prospered in the past five years despite the sharp curtailment of tax advantages in 1979. Purely financial considerations have tended to become less important as the lessors have concentrated on providing an all-round service.

Indeed, the service of the big specialist fleet managers is now so comprehensive—encompassing, for example, credit cards for the easy payment of fuel bills, pre-delivery vehicle inspection, insurance cover, road tax and arrangements for replacement cars in the event of breakdown—that it is hard to predict what further innovations will emerge.

The performance of lessors in the motor industry suggests that the rest of the British leasing industry should adjust quite smoothly to the loss of tax benefits announced in this year's Budget. The longer-term worry is likely to be the effect of SSAP 21.

However, accounting requirements are unlikely to prove much of a brake on expansion if the leasing industry follows the trail blazed by the motor lessors and increasingly persuades companies to assess the merits of owning capital assets.

THE GAP

THAT WILL SAVE THOUSANDS OF POUNDS.

The Ford Cargo 1617 shown here is running at 22 tonnes gross and is packed with fridges, freezers, and coolers. But, unbelievably, it's a 16 tonne rigid, doing more than the work of a forty foot artic and saving thousands of pounds for the South Eastern Electricity Board.

Ford are opening up some remarkable opportunities to save money, with the widest and most efficient range of drawbar configurations on the market.

We have National type approval on all Cargo trucks up to 32.5 tonnes GTM. Making the Cargo system the most flexible of all.

More loadspace less tax.

A drawbar offers you up to 50 feet, or more, total body length giving an extra 25% more usable loadspace than an artic. This means you can carry more on every trip, reducing the number of journeys

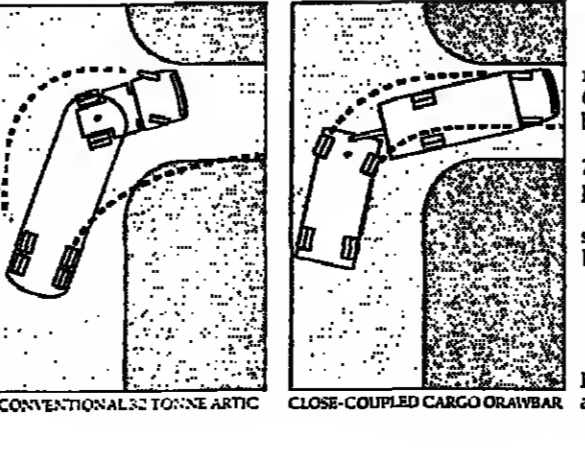
necessary and saving money on running costs.

As well as saving running costs with a drawbar you also save tax. The 1984 budget gave even greater annual tax savings, against an equivalent weight artic, of up to £1,270* per truck. And that can save a lot of money for a large fleet operator.

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Thanks to Cargo's superb manoeuvrability and the latest drawbar linkages our drawbar trucks are outstandingly easy to drive, even in urban conditions.

According to a recent Motor Transport article on drawbar handling, "The trailer followed very well, cut-in even on sharp bends was minimal... At no time during the 50 mile run was I conscious of the length." On top of that a drawbar can be driven on a class 3 HGV licence.



The Seaboard story.

South Eastern Electricity Board are completely reorganising their appliance distribution around Cargo 16 tonne drawbar trucks and a demountable body system.

Local distribution is handled by a fleet of Cargo 7.5 tonners. They project savings of thousands of pounds a year.

In addition, Seaboard will make major cost savings on new district depots since appliance stores buildings will not be required.

Unbeatable experience and back-up.

Other Cargo drawbar operators include Rank Hovis McDougal, the Co-operative Wholesale Society and Associated British Foods.

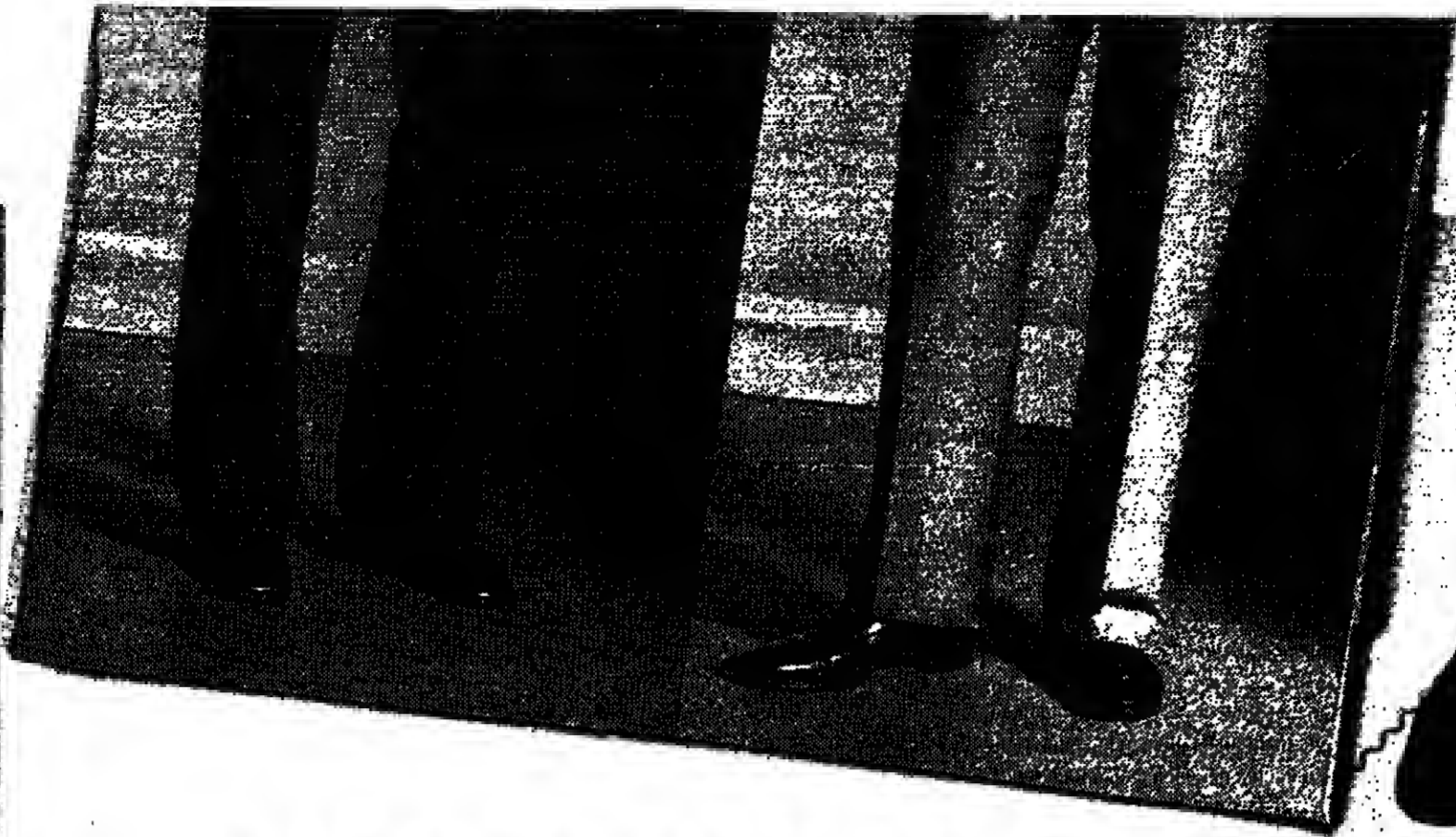
In fact, Ford's experience in this market is unrivalled by any other British manufacturer. And, naturally, Cargo drawbars have the benefit of the best and most extensive dealer back-up in the country.

Drop in to your local Ford Truck Specialist Dealer. He'll show you how much you can save by taking advantage of the Cargo drawbar range and the taxman.

*Saving refers to a Cargo 1620 with GTM of 32.5 tonnes.

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And as such they offer you not only competitive rates, but probably the most competitive range of fleet cars on the market.

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VEHICLE FINANCE AND LEASING 7

Budget changes put under the microscope



A Ryder One-Way Rental van at work. The One-Way scheme offers a package deal to customers.

Aiming at large new market

PROFILE Ryder Truck Rental

IN A BID to open up a new and potentially large market for vehicle rental operations, Ryder Truck Rental has launched a scheme aimed specifically at the general public but with commercial concerns also in mind.

Under the scheme, One-Way Rental, vehicles can be hired from any one of Ryder's own 18 full service stations or from 46 to 50 dealerships in the UK and returned to the one most convenient to final destination.

The vehicle therefore does not have to be returned to the initial hiring point, a major advantage for house removals and similar jobs.

Initially, Ryder has bought 150 vehicles for the scheme at a cost of about £1.5m. The classics are Ford 6000 Cargo and Transit, with bodies by Transliner. Altogether, Ryder now has about 2,400 vehicles in the UK.

"There are other companies which offer one-way rental deals, but we believe we are offering the first scheme which incorporates a whole package geared to making things easy for any member of the public who wants to use the vehicles," says Mr Tom Lysaght, purchasing and contracts manager.

"The vehicles will have power steering, a loading ramp and a towing hitch for a tow dolly which will allow the family car to be towed behind if necessary. Besides supplying the vehicle, we provide equipment for loading and packing goods, tips on how to load, etc."

Mr Lysaght says it is the first time Ryder has tried the one-way concept in the UK, although in the U.S. the company currently operates about 18,000 one-way vehicles and is planning to increase that number.

While the scheme is being promoted in the UK mainly for people doing their own house removals, or companies relocating their own employees, Ryder believes there are also commercial opportunities in one-way rental.

"There are businesses such as shop-fitters, exhibition contractors, and computer installation companies whose need for transport often means that the vehicle is standing empty for long periods or forced to return empty to its base, which can be expensive," says Mr Lysaght.

One-way rental, he claims, reduces vehicle down-time and allows the driver or installation team to return to base as soon as the job is finished.

Ryder Truck Rental has been operating in the UK since 1972 when it acquired the long-established contract hire company Fisher Renwick.

P. H.

Trucks PHILLIP HASTINGS

CHANGES announced in this year's Budget—particularly the phased abolition of capital allowances for plant and equipment—are expected to have a strong impact on commercial vehicle leasing over the next few years.

Traditionally, companies planning to acquire new trucks and other commercial vehicles have been faced with three basic options: direct-purchase, using either available funds or by means of a short-term loan; hire-purchase or financial leasing.

Vehicles acquired by the first two methods become the property of the fleet operator. With financial leasing, the operator effectively has to take on all the risks resulting from ownership, although actual legal ownership stays with the hirer or lessor.

Over the past few years financial leasing has gained in popularity among fleet operators, largely because of various taxation anomalies and to some extent the effects of recession on company profits.

With direct-purchase and hire-purchase the vehicle owner has so far been able to get the full benefit of capital allowances, with his trucks and vans qualifying for a 100 per cent capital allowance offset against taxable profits in the year of purchase.

With recession helping to depress taxable profits through-out industry and commerce, however, many vehicle operators have been unable to match the cost of acquiring vehicles with profits and therefore unable to claim the full capital allowances. Benefits have had to be deferred or not claimed at all.

According to commercial vehicle leasing companies, this inability of fleet operators to obtain full tax relief immediately has been a major factor in the growth of financial leasing in recent years.

Leasing agreements come in many forms, but the financial lease is usually a contract split into two parts. There is the first period, when the lessor recovers the cost of his investment plus a profit margin, and a secondary phase if the lessee wants to use the vehicle for longer than the period covered in the first stage of the contract.

While financial leasing agreements have hitherto gained in popularity, however, the 1984 Budget is expected to have a depressive effect on this trend, according to commercial vehicle leasing companies.

They claim that the gradual reduction of corporation tax from 50 per cent to 35 per cent by 1986 will reduce the value of any allowances when they are offset against tax. At the same time, first-year allowances currently available on leased commercial vehicles are to be progressively phased out by 1986.

Likely repercussions of these changes were highlighted in a report "Commercial Vehicles—the Economic Alternatives," commissioned by the British Road Services Group and prepared by two lecturers in accountancy at Exeter University, Terry Cooke and John Glyn.

They say: "The loss of allowances will affect both the direct purchaser, with available tax capacity, and the lessor. In their case, leasing rates will obviously rise and the removal of the taxation anomalies may well lead to a decline in the number of lessors willing to write new business."

The report goes on to say that another form of agreement, contract hire, should now increase in popularity since it will avoid all the financial problems created by the Budget, being a fully tax deductible option constituting a normal trading expense.

Defining exactly what constitutes "contract hire" can be difficult, since the term tends to be a generic one with many companies having their own slightly different definitions. Basically, though, there are two forms of contract hire: vehicle with driver and vehicle with maintenance.

Normally, under straightforward vehicle hire, the vehicles are supplied with a limited number of additional services included in the hire price. These can include the vehicle's road tax and its replacement in the event of a breakdown. There can also be clauses covering maximum allowable mileage, while the hirer normally lays down certain conditions for servicing and repair.

Maintenance contract hire involves a far more inclusive and comprehensive arrangement under which the company hiring out the vehicles takes on full responsibility for maintenance, a breakdown service, insurance, licence and other extras up to the provision of fuel and driver.

In some cases, contract hire companies now buy up the vehicles owned by fleet operators and then provide a range of services dominated under a management agreement which results from the fleet takeover. Vehicles are subsequently replaced under an agreed programme.

The BRS-commissioned report adds: "Figures from the latest survey by the British Vehicle Rental and Leasing Association reveal that over twice as many cars are being operated on contract hire terms as under financial leases. While no exact figures are available for trucks, this trend seems quite likely to be repeated."

Similar views were expressed by another major company in the vehicle rental and contract hire field, Transfleet Services, a joint venture between Lex Services and Lombard North Central.

Contract-hire rentals are of course allowable for corporation tax purposes, Mr Noel points out. They will continue to reflect whatever benefit is available to the contract hire company by way of future writing-down allowance, he adds.

Moreover, under the proposals of ED29 "Accounting for Leases" it is likely that contract-hire agreements will be classified "Operational Leases" and therefore not be subject to the same treatment as financial leases. Thus, they will not need to be reflected in the company balance-sheet.

Not all leasing companies, however, are convinced that the benefits being claimed for contract-hire arrangements are sufficient to set off any immediate rapid swing away from established leasing agreements to more comprehensive contract hire deals.

According to the BRS group sales and marketing director, Mr Richard Lovell, the changes in the Budget should cause a lot more fleet operators to look at the idea of a total package rather than a straight leasing deal.

"The aim of the report we commissioned was to open peoples' eyes to the fact that with the elimination of leasing advantages as a result of the Budget, it is now worth looking at more broadly-based packages," he says.

Allowances

Mr Michael Noel, the managing director of Transfleet Services, says that until this year's Budget the attractions of 100 per cent first-year allowances on new commercial vehicles had often been seen as outweighing the favourable operational benefits of contract hire when companies sought shelter for high taxable profits.

"Although these allowances were frequently reflected in contract hire and rental agreements, some company financial managers preferred the after-tax financial option of direct purchase," says Mr Noel.

"With the phasing out of first-year allowances, however, tax-reflecting capital expenditure projects are likely to compare less favourably with hiring proposals evaluated on a cash-flow basis."

In the light of the Budget, he believes, it is likely that the benefits of contract hire, such as operational efficiencies, vehicle management, predictable costs and cash flow will be given "their true weight" when compared with other methods of vehicle ownership.

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The Austin Metro 310 van is strengthening Austin Rover's commitment to the small van user.

The highly respected Rover marque has recently welcomed the exciting Rover 200 Series to a breed which includes the Rover 2000 and the luxurious new 3.5 litre Vanden Plas Ef.

From economy to prestige, the Austin Rover range has never been more challenging.

Equally, Austin Rover now has the most efficient funding and operating back-up to help you run your fleet. Austin Rover Finance, British Car Contracts and British Car Rental have all been established to meet the stringent requirements of today's fleet operators.

Austin Rover Finance can provide a whole range of flexible funding packages for your business car acquisitions. From Leasing to Lease Purchase and Contract Hire Austin Rover Finance can tailor a practical and competitive funding programme to meet your particular needs.

Through over 100 specialist Austin Rover outlets British Car Contracts can provide a highly competitive and comprehensive contract hire package. For a fixed monthly rental we provide the very best cars from the Austin Rover range with the only additional cost to the user being petrol insurance and top up oil.

British Car Rental is the UK's fastest growing car hire company with over 120 depots nationwide. Designed to meet the short term hiring needs of fleet users, British Car Rental can provide all that's best in car and van hire including highly competitive unlimited mileage tariffs.

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VEHICLE FINANCE AND LEASING 8

Flexible fleets meet seasonal rush

Trailers PHILIP HASTINGS

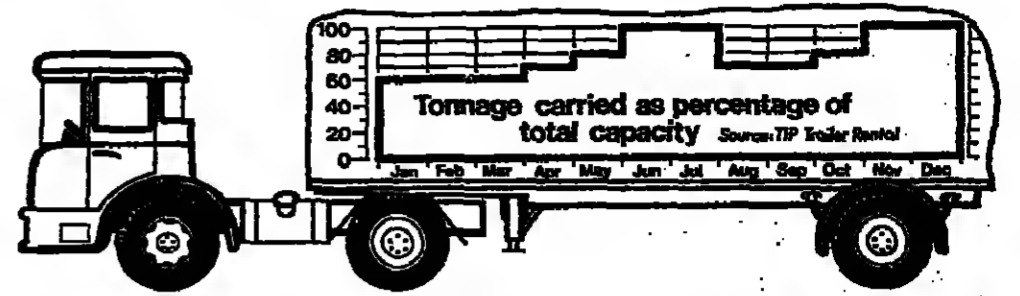
AS A RELATIVELY NEW industry in the UK, trailer rental and leasing has over the past 15 years or so become a major feature of the road transport scene.

The fact that trailer rental and leasing in its various forms has not only stayed on the road but expanded considerably is due mainly to a changed attitude in industry as a whole which is now far less committed to the idea of having to own all the equipment it needs.

Mr Jim Cleary, the UK-based managing director of TIP Trailer Rental's European operations, says: "The key these days where equipment such as trailers is concerned is 'use' rather than ownership. No company uses all its trailers all the time so why buy trailers as if it did?"

Leasing is seen as an alternative to purchase, enabling operators to avoid tying up valuable capital which might be better used in other areas of the business.

"We don't push one type of scheme against the other, but what we do notice now is that more people are tending to lease rather than purchase," says Mr Kelly.



The UK leasing and rental company XTRA is much more oriented towards leasing. It now has some 3,000 trailers and chassis available for leasing in the UK and Europe.

Another problem for UK trailer leasing and rental companies over the past few years of recession has been the fact that the haulage industry, with its many one-man and other small businesses, has suffered a higher than average rate of bankruptcies.

from September 1 onwards, business usually improves in the approach to Christmas. The big question, though, is whether this improvement will continue into next year.

DIESEL MOTORING is your company still turning a blind eye? AUSTIN ROVER · CITROËN · FORD · VAUXHALL · AUDI/VW · RENAULT

All these manufacturers produce a fine range of cars powered by diesel engines - and Kenning can supply...

The raising last year of the legal vehicle weight limit to 38 tonnes also caused additional interest in the possibilities of trailer rental.

"Many companies have found that trailer rental is a good way to experiment with 38-tonne loads, given the uncertainty over the ideal rig and real operating costs," says the trailer rental company executive.

The majority of its 18,500 engineers, salesmen and managers are involved in supporting customers with its hardware and software. In the UK these include the Midland Bank and the Anglia Building Society.

TIP, for example, claims that while most finance houses will not agree to have trailers built until an order is signed (causing delays before the equipment is ready for use) it can often supply trailers straight from stock.

As part of the Building and Trailer Division of Celco Corporation of Minneapolis, Minnesota, TIP (Transport International Pool) Trailer Rental opened its first UK branch in 1980 and now has nearly 14,000 trailers available from 50 branches in 10 European countries.

At one stage, Nixdorf used a fleet management company. However, it found that it was involved in so much administration and that it just did not have the expertise to meet the tight response time demanded of its engineers when a car did break down.

Here and on the facing page Alastair Guild examines some user companies' fleets Efficient transport the key to servicing

"If the car broke down," explains Mr McEwan, "the engineer made a call to head office here in Hounslow. Our fleet administrator then had to contact the fleet management company. Invariably, the fleet management company then had to call on a car hire company."

Nixdorf keeps fleet costs on computer. It can pull off a print-out by registration number or driver's name, to give the period of contract, when it terminates, the costs and the location. Its total fleet is now run on a day-to-day basis by one person, who also has other functions.



Stewart McCaw at the UK headquarters at Hounslow. Repair times can average 20 minutes.

THIS MAN WILL TAKE YOUR VEHICLE PROBLEMS OFF YOUR DESK AND GIVE YOU MORE SPACE TO RUN YOUR BUSINESS.

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How to make a capital recovery from the worry of buying company cars. Wincanton Contract Hire

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VEHICLE FINANCE AND LEASING 9

Buying/selling in-house

Philips

SEA PAINTINGS line his office walls and he talks with obvious affection of his days as a purser on liners, such as the Queen Mary. He developed a fondness for cars—"the flashy type"—on shore leave.

Mr Jim Barnett now deals with cars of a different pedigree, while the "fleet" he manages is strictly land based. As manager of Philips Electronics' car and travel department he is responsible for some 3,000 cars and Transit vans with a replacement value of £16m.

He has, however, chosen to steer a rather unusual course in the management of the company's fleet. He has kept the buying and selling in-house while, in 1982, handing over responsibility for maintenance to a fleet management company.

"We have been doing business with the same dealers for over 30 years so we have good buying and selling power," he explains. This year Philips

will spend £7m on new vehicles and realise about £2.5m from sales. The dealer retains a small percentage of the price when selling a vehicle to Philips and part of any bonus he may get from the manufacturer.

Every October, Philips agrees with the dealer, car by car, how much he will pay for a second-hand car, based on Glass's Guide. Cars which are not sold on that formula are sold to Philips staff or by auction.

The company changes between 1,200 and 1,500 cars every year. All cars are changed at 50,000 miles or at an average of 30 months. "We make a profit on the deals, but only due to the volume we are handling and because we are dealing with a small number of dealers."

"We also do business with manufacturers. With the volume we buy, we get a percentage back on the cars bought. These are relationships built up over a number of years. That is why I can do it cheaper than buying a fleet management company."

Maintenance is, he says, a different problem. A fleet management company has a lot

more power with garages around the country and is better able to negotiate discounts on servicing costs, for example. From 1982 to 1983, Philips reduced maintenance costs and saved an estimated £72,000.

Accountant

Mr Barnett is an accountant. It is preferable, he says, to make an accountant responsible for running a large company car fleet than "a whizz kid engineer who knows about cars, or a personnel manager." He outlines some of the annual costs involved in Philips' fleet. On repairs and maintenance, £1m; £250,000 on short-term hire cars; £300,000 for insurance; £250,000 tax. Depreciation amounts to £3.5m, not to mention capital costs. The total fleet operation runs to £7.5m, plus £4m on fuel.

"Control of money spent is a complex thing. Some large companies running between 3,000 and 6,000 cars don't know how to control costs. That is why quite a few are handing over responsibility to leasing companies. Yet it would cost £200 per car per annum more for a leasing company to do what I am doing."

Philips has developed with the fleet management company a system to suit its own needs. All information on maintenance, servicing and fuel of every car is put on to magnetic tape by



Jim Barnett. His land-based fleet, with a replacement value of £16m, is bought and sold at a profit.

the fleet management company. (Philips' fleet now uses the fleet management company's fuel card). This information is then stored on Philips' mainframe. "We can take what information we want from 10 VDUs scattered around the company, and know exactly what we are doing."

Short-term replacement vehicles are also controlled from the Philips' car department based in Croydon. Swan National employees, in Swan National uniform, provide the service. "We have negotiated very good terms on daily hire rates."

Why, I asked Mr Barnett, did Philips not opt for contract hire? "Nobody can take all your worries away. We are buying 3,000 cars across the country, and may never see a car; salesmen and engineers are not noted for taking care of their cars. If we never see the car, we don't know what condition the body work is in. The leasing company would charge Philips to return it to good condition before selling it. If the car has overrun the mileage set by the contract hire company, there is a hefty excess mileage charge. These are just two reasons."

A decentralised approach

THE activities of Trusthouse Forte are highly diversified, ranging from hotel management to in-flight catering. The group structure, with eight independent divisions, reflects this.

Responsibility for running company cars and commercial vehicles is, for most intents and purposes, also devolved. But decisions about overall policy are made at the group's headquarters just off Piccadilly in London. THF recently decided, for example, to hand over the running of its fleet of 1,250 cars and commercial vans to two fleet management companies.

"We are actually in the process of switching," explains Mr Colin Olds, who is the group buyer of cars. Hitherto, cars were bought centrally and the price negotiated with a dealer, the financing being done through Ford Motor Credit.

The order would be placed with the dealer, who would invoice Ford Motor Credit. THF would then spread the cost over four years, making 16 payments.

The car was sent to the transport manager of the division concerned, who would hold the registration documents. Servicing was arranged by the driver, who opened an account in the name of the division. The invoice for servicing would then be sent to his division.

At the end of the vehicle's life (THF changes a car after four years or 70,000 miles) it is returned to Mr Olds for disposal, mainly by auction.

This decentralised approach has caused some problems, however. "Once the fleet is disposed to the divisions," explains Mr Olds, "it is difficult to collate costs and so run the fleet centrally. Each division has its own accounting system."

"We decided to dual source the fleet management of our cars because we had no practical experience of fleet management, mainly by auction."

Trusthouse Forte

THF sought a company with national coverage and a localised network. Currently, 45 vehicles are hired and it is expected that this number will be progressively increased. The contract hire company chosen also had experience of refrigerated vehicles.

The group has special requirements in that the perishable products carried need varying degrees of temperature control. In collaboration with the contract hire company's engineers, it devised multi-compartment bodies which can be adjusted to suit the composition of the load.

In the triple-compartment vehicle deep-frozen goods can be carried at the front, heavily chilled in the centre, and lightly chilled in the rear.

Computer control plays a major part in the distribution programme, which involves a meat processing plant, two grocery warehouses, a frozen food plant and five regional depots.

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Improved system of administration

Railcar Services

RAIL CAR SERVICES LTD, managing and maintaining 60 per cent of the privately-owned freight rolling stock operating on the UK rail network, found itself increasingly embroiled in the management of its own road vehicle fleet.

Its 300 employees operate from a network of 45 named depots throughout the UK. There are approximately 100 vehicles in the fleet, some 25 are cars, the rest are mainly vans or estates, used to transport gangs and equipment. These maintenance vehicles used to be Transits but are gradually being changed over to Bedford diesels.

"Our vehicles are not concentrated in one area," explains Mr David Pickup, the company's financial controller, "so that we cannot use one garage for service. Charges differ extensively from location to location in standards of service."

"We were finding we were not getting a prompt response. The vehicles are, in effect mobile service vans so we cannot afford to have a vehicle off the road —the rail industry runs to such tight schedules."

A lot of time was being wasted, he explains, administering the fleet on an ad hoc basis from Birmingham where the company is based. "Cars, for instance, are a very emotive subject. There is always a bit of onus on who should have what. It was also very difficult to get cheques to garages which had serviced our vehicles and to get banks to clear those cheques locally."

"Officially, we had only one person looking after the fleet. Unofficially there were many more. One of our men could spend weeks trying out vehicles and still not come up with the right answer. By purchasing

on an ad hoc basis and renewing according to mileage, we were wasting management time. Servicing and maintenance was always potentially unpredictable and costly."

Rail Car Services is not so big that it could afford to carry a reserve fleet. On the other hand, being part of the major U.S. Marmon Group it was not interested in finance leasing because Marmon could borrow money just as cheaply as any finance house. It had a turnover last year of \$2.5bn and is rated blue chip.

"I had to ask myself: should we try to be experts in other fields, when they are only fringe servicing rail car fleets?"

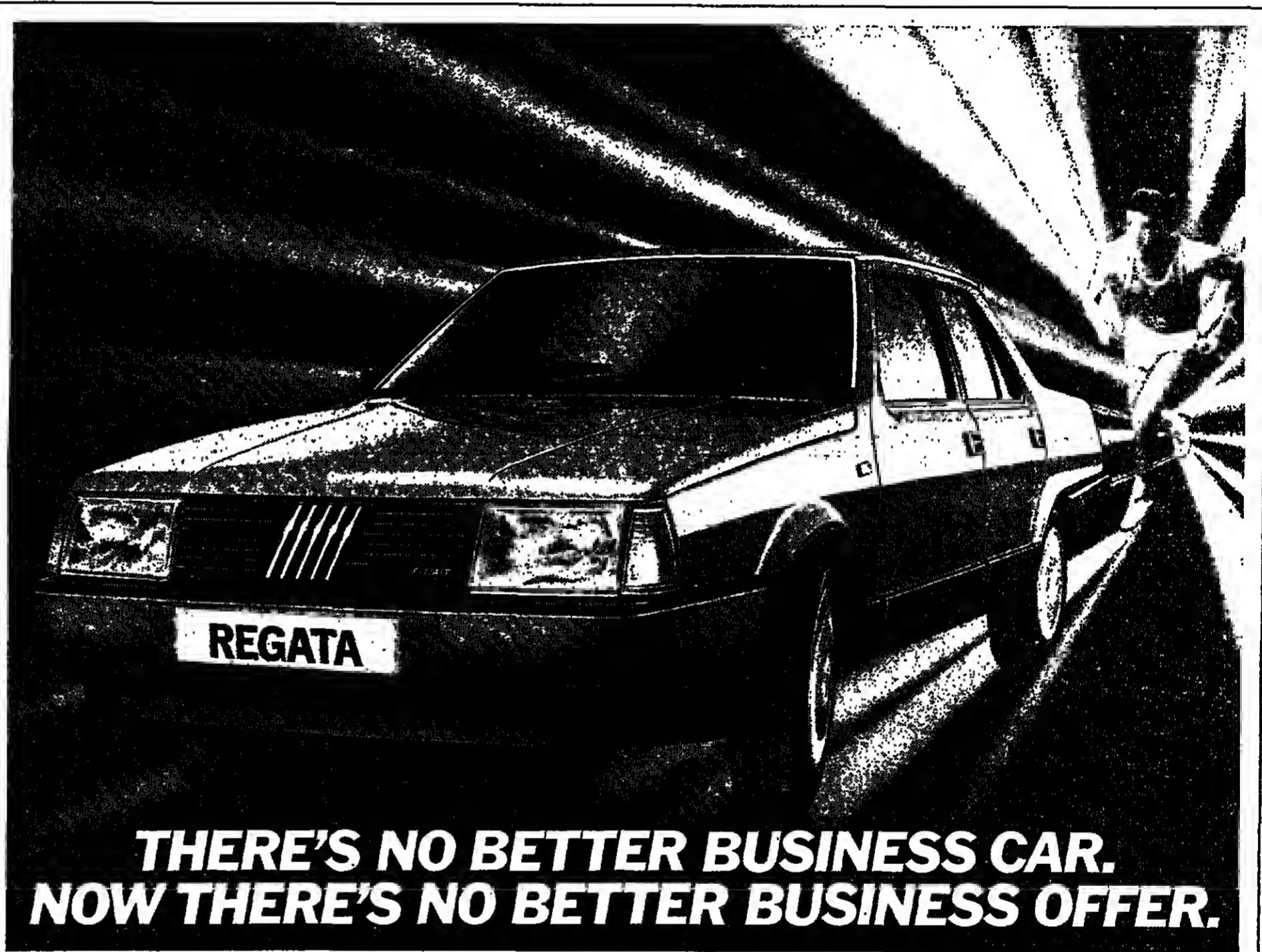
Mr Pickup looked around for an all inclusive deal. He tried contract hire for six months, then sale and lease back of the company fleet.

Accurate

"We can now budget very accurately, on the basis of a fixed cost/mile. It has also taken a lot of the personal animosity out of company car ownership. Employees have a choice of cars, which used to be based on cc. This is now being changed to pence/mile."

The contract hire company recommends the appropriate type of vehicle for a particular task. Every 12 months, Mr Pickup estimates what will be Rail Car Services' requirements for the following year. He then approaches three businesses to get comparative quotes. He decided against dual sourcing. "If things do go wrong, we may have a bit more weight if we are dealing with only one supplier."

Most important of all in his choice of contract hire company are the services included. For example, the provision of an immediate replacement vehicle in the event of breakdown is vital. "You can always find someone to do the job cheaper but cheapness may not provide the most economic approach in the end."



The Regata is the 5-seater saloon that perfectly meets all your business requirements. And through our business dealerships there's a very special business users offer which makes it even better value than ever.

THE NEW FRONT RUNNER IN VALUE.

High quality Blaupunkt audio equipment is fitted as standard to all Regatas for the business car user.

And as part of our package there are special driveway prices including delivery, number plates and one year's road fund licence.

And, to complete the best business offer around, the Regata package includes a buy-back at a pre-agreed price. No risk and a reduced holding cost.

Fiat Regata. The new front runner that really means business.

THE NEW FRONT RUNNER ON THE ROAD.

As a business proposition, each of the five superbly equipped models in the Regata range leads the way in every respect. Each gives you a cavernous 18.1 cu. ft. boot. (That's far bigger than, say the Ford Granada's.)

Take the prestigious Regata 100 Super with its dazzling array of instrumentation and equipment. Electric front windows, for example. Steel sun roof. Central locking and many other features that space forbids us to mention. Its powerful 1600 cc. twin-cam 100 bhp engine offers you true 2-litre performance. 0-60 mpg in under 10 seconds, with a top speed of 112 mph.

Then there's the phenomenally frugal Regata Energy Saver with its unique Citymatic system. This sophisticated car delivers 54.3 mpg at a steady 56 mph, with a staggering around-town figure of 38.2 mpg.

With the rest of the range comprising the superb 1299 cc. 70 Comfort, the 1585 cc. 85 Comfort and 1585 cc. 85 Super, the front wheel drive Regata is one of the most exciting new business prospects in a long time.

COMPREHENSIVE BUSINESS USERS' SERVICE.

Fiat's commitment to the business customer lasts long beyond the initial purchase. 3 Year Mechanical Breakdown Warranty. Our optional comprehensive Longrun 2 Warranty gives you an additional 2 years' coverage on all major mechanical components after your first year's standard warranty.

Benefits of the Warranty include full parts and labour cover, unlimited mileage, unlimited claims, up to 15 days' car hire, overnight accommodation and towing-in charges where appropriate and Continental cover.

Longrun 2 is fully transferable with the car. Readily Available Low Cost Parts. Keenly priced parts and accessories are available through Fiat's computerised parts system. Fleet Priority Card. Assures you of priority services at any Fiat dealership nationwide. Low Cost Fiat Insurance Plan. Special insurance rates on all Fiat vehicles. Tailored Financial Package. Expert advice and competitive terms on all purchase options.

FOR A BETTER BUSINESS OFFER

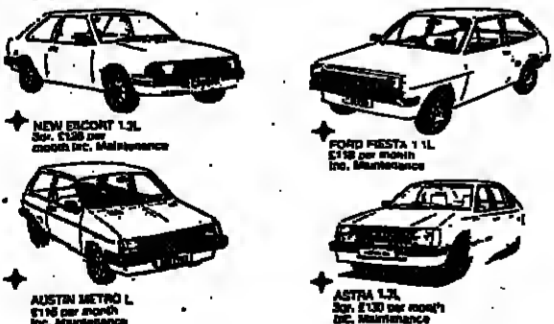
Contact your nearest Fiat business dealer immediately, or telephone **Chris Martin, Fleet and Business Department on Uxbridge (0895) 51212**.

Regata. THE NEW FRONT RUNNER

REGATA 70 ES - CONSTANT 56 MPH 54.3 MPG (5.2L/100 KM); CONSTANT 75 MPH 40.4 MPG (7.0L/100 KM); URBAN CYCLE 38.2 MPG (7.4L/100 KM).



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A SMALL CAR FOR A SMALL PRICE



RIGHT NOW—VEHICLE LEASING MAKES VERY GOOD SENSE

ARLINGTON can help improve your cash flow problems and release you from many of the administration problems associated with your vehicle fleet. Contracts can be tailored to suit your needs.

You can choose the make and model of car, van, truck or P.V. that you feel will best suit your needs.

We will provide you with a quotation at a competitive rate, WITHOUT OBLIGATION.

The basis of the above stated monthly rental figures are for a 3-year full maintenance contract with 10,000-mile per annum allowance. The above rentals are subject to V.A.T. and correct at time of going to press and are subject to alteration without notice. Contact Arlington Contract Hire division for your tailored requirements and specifications for Vauxhall, Bedford, Ford, British Leyland, Audi, Volkswagen, Mercedes, in fact any make or model.

* Rates for Companies Only

LONDON DIVISION
Arlington Motor Leasing Ltd, 67 High Street, Ponders End, Enfield, Middlesex. Phone 01-466 7948 - Telex 261328

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Barker Lane, Bedford, Bedfordshire
Phone 0455-51212

SEND FOR YOUR PERSONAL QUOTATION TODAY

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	12 Month High	Low	Stock	12 Month High	Low	Stock
4.21	2.10	AAR	1.10	.75	AAC	1.10	.75	AAC
4.21	2.10	AAR	1.10	.75	AAC	1.10	.75	AAC
4.21	2.10	AAR	1.10	.75	AAC	1.10	.75	AAC
4.21	2.10	AAR	1.10	.75	AAC	1.10	.75	AAC
4.21	2.10	AAR	1.10	.75	AAC	1.10	.75	AAC

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, September 7

Table of American Stock Exchange Composite Closing Prices for September 7, 1984. Columns include stock symbols, prices, and changes. Includes sub-sections for various sectors like Chemicals, Computers, and Energy.

Continued on Page 24

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices for September 7, 1984. Columns include stock symbols, prices, and changes. Includes sub-sections for various sectors like Chemicals, Computers, and Energy.

Notes and footnotes regarding the data, including definitions for stock types and dividend information.

WORLD VALUE OF THE POUND every Tuesday in the Financial Times

WORLD STOCK MARKETS

OVER-THE-COUNTER

Table of over-the-counter stock prices for various companies, including columns for Stock, Sales, High, Low, Last, and Change.

Nasdaq national market, Closing prices, September 7

CANADA

Table of Canadian stock market closing prices, including columns for Stock, Sales, High, Low, Last, and Change.

DENMARK

Table of Danish stock market closing prices, including columns for Stock, High, Low, and Price.

NORWAY

Table of Norwegian stock market closing prices, including columns for Stock, High, Low, and Price.

JAPAN

Table of Japanese stock market closing prices, including columns for Stock, High, Low, and Price.

TORONTO

Table of Toronto stock market closing prices, including columns for Stock, Sales, High, Low, Last, and Change.

FRANCE

Table of French stock market closing prices, including columns for Stock, High, Low, and Price.

NETHERLANDS

Table of Dutch stock market closing prices, including columns for Stock, High, Low, and Price.

GERMANY

Table of German stock market closing prices, including columns for Stock, High, Low, and Price.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Table of American stock exchange closing prices, including columns for Stock, High, Low, Last, and Change.

MONTREAL

Table of Montreal stock market closing prices, including columns for Stock, High, Low, Last, and Change.

AUSTRALIA

Table of Australian stock market closing prices, including columns for Stock, High, Low, and Price.

HONG KONG

Table of Hong Kong stock market closing prices, including columns for Stock, High, Low, and Price.

SOUTH AFRICA

Table of South African stock market closing prices, including columns for Stock, High, Low, and Price.

AUSTRIA

Table of Austrian stock market closing prices, including columns for Stock, High, Low, and Price.

ITALY

Table of Italian stock market closing prices, including columns for Stock, High, Low, and Price.

SPAIN

Table of Spanish stock market closing prices, including columns for Stock, High, Low, and Price.

BELGIUM/LUXEMBOURG

Table of Belgian/Luxembourg stock market closing prices, including columns for Stock, High, Low, and Price.

WORLD VALUE OF THE DOLLAR every Friday in the Financial Times

Advertisement for 'HAND DELIVERY IN GERMAN CITIES' with contact information.

Advertisement for 'CLASSIFIED ADVERTISEMENT RATES' with a table of rates.

Handwritten signature or mark at the bottom of the page.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Table of over-the-counter stock prices including columns for Stock, Sales, High, Low, Last, and Change. Includes sub-sections like 'Continued from Page 24' and 'NEW YORK'.

Table of over-the-counter stock prices, continuing from the previous table with columns for Stock, Sales, High, Low, Last, and Change.

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Indices

Table of stock indices including 'NEW YORK DOW JONES' and 'STANDARD AND POORS' with columns for date, high, low, and change.

Table of stock indices including 'Rises and Falls' and 'NEW YORK ACTIVE STOCKS' with columns for stock name, price, and change.

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Table of stock indices including 'Rises and Falls' and 'NEW YORK ACTIVE STOCKS' with columns for stock name, price, and change.

Table of international stock indices including 'TORONTO', 'MONTREAL PORTFOLIO', 'AUSTRALIA', 'BELGIUM', 'DENMARK', 'FRANCE', 'GERMANY', 'HONG KONG', 'ITALY', 'JAPAN', 'NETHERLANDS', 'NORWAY', 'SINGAPORE', 'SOUTH AFRICA', 'SPAIN', 'SWEDEN', 'SWITZERLAND', and 'WORLD'.

Table of international stock indices including 'TORONTO', 'MONTREAL PORTFOLIO', 'AUSTRALIA', 'BELGIUM', 'DENMARK', 'FRANCE', 'GERMANY', 'HONG KONG', 'ITALY', 'JAPAN', 'NETHERLANDS', 'NORWAY', 'SINGAPORE', 'SOUTH AFRICA', 'SPAIN', 'SWEDEN', 'SWITZERLAND', and 'WORLD'.

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Financial Times data provided by Reuters. All figures are in US dollars unless otherwise stated. * Saturday September 1: Japan Nikkei-Dow 10,620.5, TSE 818.00.

CONSTRUCTION CONTRACTS

Ernest Ireland busy with £11m. orders

Contracts totalling £11m have been won by ERNEST IRELAND CONSTRUCTION OF Bath, part of the Mowlem group. The largest, worth £3.5m, is to build a technical support and distribution centre at Pipers Way, Swindon, for Intel Corporation (UK). The 12-month contract, which has just started, is phase two of a four-phase development on Intel's 13-acre site. The work centres around the construction of a steel-framed brick-clad building of 5,500 sq metres which will be part distribution area and part two-storey air-conditioned offices. A further part of the contract is the provision of a complex fire-protection system for the whole site recently awarded to Weyatt, the London-based construction arm of Sir Alfred McAlpine and Son. A £1.5m fitting out contract has been won at Sreatham for Safeway Foodstore, following the completion of the shell phase together with additional car park extension works, valued at £133,000, at Addlestone, Surrey. At Irlam, London, a £1.66m scheme of 52 houses and maisonettes with 15 old persons dwellings in seven two- and three-storey blocks is to commence for the New Islington and Hackney Housing Association, together with the construction of 47 houses and eight flats at West Dulwich, London for the London Borough of Lambeth with a value of £1.7m. Further contracts include alteration works at the Chase Manhattan Bank in the City, and refurbishment works to the White Tower Restaurant in the West End of London. Sir Alfred McAlpine Homes, South has finalised contracts for the construction of three blocks of flats at London, SW16, valued at £500,000, together with conversion of nurses home into nine flats and erection of 20 detached houses at Wimbledon, totalling £1.25m.

CHIVERS Our business has been building since 1884. 21 Eskport Street, Devonport, Tel: 0800 2121 Telex: 440351 CHIVERS WE CHIVERS & SONS LTD.

£9m Holiday Inn project

The Wales division of FAIR-CLOUGH BUILDING has won a £9m holiday contract for a new Holiday Inn in Cardiff's Hayes Bridge Road. It was awarded by Commonwealth Holiday Inns of Canada (UK). Costing a total of £9m, including all fitting out the complex will consist of a 12-storey tower block holding two hundred luxury bedrooms (all with ensuite bathroom) and a podium containing a conference centre, reception, bars and restaurants. The leisure facilities will include a swimming pool, jacuzzi, two saunas, a Turkish bath and two squash courts. Fairclough will construct the tower block on an in-situ reinforced-concrete frame, and the podium on structural steel. The Wales division will also be responsible for landscaping and drainage, has scheduled completion of the construction of the tower block in May 1985. Fairclough Building is part of AMEC.

£6.9m batch for Whyatt

Both the private and public sectors feature in a list of contracts worth in excess of £50m awarded to WHYATT, the London-based construction arm of Sir Alfred McAlpine and Son. A £1.5m fitting out contract has been won at Sreatham for Safeway Foodstore, following the completion of the shell phase together with additional car park extension works, valued at £133,000, at Addlestone, Surrey. At Irlam, London, a £1.66m scheme of 52 houses and maisonettes with 15 old persons dwellings in seven two- and three-storey blocks is to commence for the New Islington and Hackney Housing Association, together with the construction of 47 houses and eight flats at West Dulwich, London for the London Borough of Lambeth with a value of £1.7m. Further contracts include alteration works at the Chase Manhattan Bank in the City, and refurbishment works to the White Tower Restaurant in the West End of London. Sir Alfred McAlpine Homes, South has finalised contracts for the construction of three blocks of flats at London, SW16, valued at £500,000, together with conversion of nurses home into nine flats and erection of 20 detached houses at Wimbledon, totalling £1.25m.

Contracts totalling £7m have been awarded...

Contracts totalling £7m have been awarded recently by companies within the ESPLEY-TAS CONSTRUCTION GROUP. Three orders totalling £3m comprise design-and-build contracts for offices and factories in West Thurrock, Poole and Hastings. A £1.5m order has been received for a 68,000 sq ft high-bay warehouse and office project at West Thurrock for Coastal Aluminium. A 44,257 sq ft factory and offices are to be built at Poole and for HCP a factory and offices totalling 50,000 sq ft are to be built at Hastings. A £1.4 order has been received from British Telecom for a telephone engineering centre comprising stores/workshop, administrative welfare facilities plus the refurbishment of existing store areas. The contract has been won at Sreatham for Safeway Foodstore, following the completion of the shell phase together with additional car park extension works, valued at £133,000, at Addlestone, Surrey. At Irlam, London, a £1.66m scheme of 52 houses and maisonettes with 15 old persons dwellings in seven two- and three-storey blocks is to commence for the New Islington and Hackney Housing Association, together with the construction of 47 houses and eight flats at West Dulwich, London for the London Borough of Lambeth with a value of £1.7m. Further contracts include alteration works at the Chase Manhattan Bank in the City, and refurbishment works to the White Tower Restaurant in the West End of London. Sir Alfred McAlpine Homes, South has finalised contracts for the construction of three blocks of flats at London, SW16, valued at £500,000, together with conversion of nurses home into nine flats and erection of 20 detached houses at Wimbledon, totalling £1.25m.

RUSH & TOMPKINS has won a £1.3m contract...

RUSH & TOMPKINS has won a £1.3m contract for an office block in New Providence, Bahamas. The two-storey building is a new headquarters for the British American Insurance Company of the Bahamas. Walls are of concrete blocks with fitted external finish, while steel joists support 63mm thick reinforced concrete slabs at first floor and roof level. Total floor area is 1,433 sq metres. Work is expected to take 57 weeks.

Cheltenham-based contractors, FORD & WESTON (SOUTH) West, have been awarded a major housing scheme...

Cheltenham-based contractors, FORD & WESTON (SOUTH) West, have been awarded a major housing scheme by the Church of England Pensions Board. The contract, worth £1.5m is to provide accommodation for retired clergy and deacons at Presbury near Cheltenham. Work will include staff accommodation, a chapel and a library. The scheme is expected to be completed by late 1985.

SIR ALFRED McALPINE & SON has been awarded a contract worth almost £2.5m by the Welsh Health Technical Services Organisation for construction of a mortuary and pathology department at the Singleton Hospital, Swansea. The four-storey department will be steel framed and Wheeler, the British Oxygen Corporation and the Midland Bank.

INTERNATIONAL PRIVATE BANKING AT WASHINGTON'S MOST IMPORTANT BANK. For nearly a century and a half at Riggs, we've been personal bankers to statesmen, diplomats, international executives and more U.S. Presidents than all the other banks in Washington combined. Our International Private Banking Department serves high net worth individuals from around the globe. They come to Riggs because their personal affairs are treated with discretion and confidentiality, as well as the financial expertise and investment management experience required to meet their needs. Riggs services include U.S. government-insured deposits, U.S.-based deposits earning Eurodollar rates, Eurocurrency deposits, investment advisory and trust services and loans. If you're not presently dealing with Washington's most important bank, contact our International Private Banking Department at 1505 Pennsylvania Avenue, NW, Dept. FT-1, Washington, DC 20013, (202) 835-5450 and we'll arrange an appointment.

26 AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs. (a), Abbey Unit Tr. Mgrs. (b), etc., with columns for name, manager, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

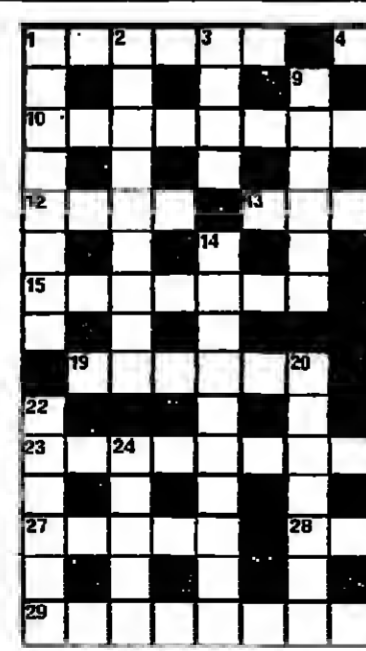
Main table of unit trusts including categories like British Group - Continued, FT Unit Trust Mgrs. Ltd. (a), Key Fund Managers Ltd. (a)(g), etc., with detailed performance data.

City of Westminster Assurance, General Portfolio Inv. P.L.C., etc.

Table listing various insurance and investment products from City of Westminster Assurance, General Portfolio Inv. P.L.C., etc., with columns for product name and details.

F.T. CROSSWORD PUZZLE No. 513

ACROSS
1 Have a go - it's in gear! (6)
2 Slipway used by old-fashioned transport? (8)
3 Coarse ground saying what the deficiencies are (9)
4 The undergrowth (8)
5 Leave to on ship (4)
6 Casually fit club together (10)
7 In a word, the sort of cheese to go off quickly? (7)
8 How wide is indicated on plan? (6)
9 Plan to get south by sailing boat? (6)
10 Taking a rest, we change clothing? (7)
11 Comprehensive and substantial measure (5-5)
12 Leave it as it was the way the engineers left it (4)
13 It's Greek and could be in classic or fully modern style (5)
14 One accepts what has been written by character teed in strike (6-5)
15 Reliable source of heat is guaranteed (4-4)
16 Set back by temporary work stoppage (6)
DOWN
1 Laboratory equipment required for experiment underground (4-1)
2 Cuts down on the credit usually available for raising essential food (9)
3 It's Greek and could be in classic or fully modern style (5)
4 Revert or put back differently (7)
5 Experienced history teacher? (4,6)



1 There's the beginning of parity in foreign currency turnover this month (5).
20 Clerk is transferred after he becomes a nuisance at meetings (7).
21 Breaks down and confesses (6)
22 Trousers are left in bags (6)
24 Are runs at the beginning and at the end more difficult to come by? (5)
26 Dried up look about the river (4)
The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

17 There's the beginning of parity in foreign currency turnover this month (5).
18 Experts can provide reasons, given time (8)
19 Canceled the buffet on the spur of the moment (3,3,4)
20 The first thing to do in any restaurant within reach? (3-2-4)
21 Laboratory equipment required for experiment underground (4-1)
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INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd, National Provident Institution, Life Assn. Co. of Pennsylvania, Lloyds Life Assurance, etc.

Target Life Assurance Co. Ltd, CAL Investments (UK) Ltd, British Overseas Investment Trust, etc.

Offshore and Overseas section, including various international investment funds and insurance companies.

Money Market and Bank Accounts section, listing various financial products, interest rates, and bank services.

Money Market

Bank Accounts

Notes section containing financial news, market commentary, and regulatory updates.

Financial Times Monday September 10 1984

INDUSTRIALS—Continued

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes companies like Apple, IBM, and various industrial firms.

LEISURE—Continued

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes leisure and consumer goods companies.

PROPERTY—Continued

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes real estate and property-related companies.

INVESTMENT TRUSTS—Cont.

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes various investment trusts.

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes motor and cycle companies.

Commercial Vehicles

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes commercial vehicle companies.

Components

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes component companies.

Garages and Distributors

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes garage and distributor companies.

SHIPPING

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes shipping companies.

SHOES AND LEATHER

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes shoe and leather companies.

SOUTH AFRICANS

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes South African companies.

NEWSPAPERS, PUBLISHERS

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes newspaper and publisher companies.

PAPER, PRINTING ADVERTISING

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes paper, printing, and advertising companies.

TEXTILES

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes textile companies.

TOBACCO

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes tobacco companies.

OVERSEAS TRADERS

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes overseas trading companies.

PLANTATIONS

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes plantation companies.

INSURANCE

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes insurance companies.

PROPERTY

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes property-related companies.

TRUSTS, FINANCE, LAND

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes trusts, finance, and land companies.

FINANCE, LAND, ETC.

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes finance, land, and other companies.

LEISURE

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes leisure companies.

PROPERTY

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes property companies.

INVESTMENT TRUSTS

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes investment trusts.

OIL AND GAS

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes oil and gas companies.

Daiwa Bank logo and contact information: a fully integrated banking service, Head Office: Osaka, Japan, London Branch: Tel (01) 588-0401.

MINES—Continued

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes various mining companies.

NOTES

Notes section containing financial details and company announcements.

PLANTATIONS

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes plantation companies.

TEAS

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes tea companies.

MINES

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes mining companies.

REGIONAL & IRISH STOCKS

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes regional and Irish stocks.

OPTIONS—3-month call rates

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes options and call rates.

DIAMOND AND PLATINUM

Table with columns: Dividend, Stock, Price, Last, Bid, Offer, Yld, Div, P/E. Includes diamond and platinum companies.

CURRENCIES, MONEY and CAPITAL MARKETS

Financial Times Foreign Exchange Year Book

Data for January - December 1983

- Daily spot rates for 1983
5-year averages, highs and lows
Graphic trends and indicators
Diary of events and explanatory articles

The FT Foreign Exchange Year Book brings together in one volume the daily data for 1983, covering the main exchange rates against the £ and the \$; cross rates of the main trading currencies; selected eurocurrency rates; and London money rates. It also contains weekly data on world interest rates, and monthly highs, lows and averages against the £ and \$.

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FINANCIAL FUTURES FOREIGN EXCHANGES

Dollar finds its way

BY COLIN MILLHAM

The dollar rose to DM 2.9950 York dealers returned from their long weekend holiday last Tuesday to New York on Friday, and the level of DM 3.00 which looked virtually unattainable in the near term only a week or so ago, could be breached at any time today. Although there was very little news to spark the sudden and overwhelming demand for the dollar last week, the mood of the foreign exchanges seemed very determined and almost entirely one way.

A level of DM 3.00 is an obvious target, taking the dollar to its highest level for over 11 years, since the floating of exchange rates in February 1973. Where it goes from there is anyone's guess, and some dealers still expect the currency to tumble, but the difficult trick is knowing when.

U.S. weekly M1 money supply fell by a surprising \$700m according to last week's figures, but with the economy continuing to grow at a fast pace dealers are looking for a rise in U.S. interest rates in the fourth quarter of the year, and this is the key to the higher dollar.

FORWARD RATES AGAINST STERLING

Table with columns: Dollar, 1 month, 3 month, 6 month, 12 month. Values for various currencies.

BANK OF ENGLAND TREASURY BILL TENDER

Table with columns: Bill on offer, £100m, £100m, £100m, £100m. Values for various bills.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, 3 months, 6 months, 12 months. Values for various currencies.

OTHER CURRENCIES

Table with columns: Currency, Rate, % change. Values for various currencies.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Rate, % change. Values for various currencies.

EXCHANGE CROSS RATES

Table with columns: Currency, Rate. Values for various currencies.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Term, Rate. Values for various interest rates.

Asian \$ (closing rate in Singapore): Short-term 11.5-11.7 per cent, seven days 11.5-11.7 per cent, one month 11.5-11.7 per cent, three months 12.25 per cent, six months 12.25 per cent, one year 12.25 per cent.

MONEY MARKETS

London nervous, but improving

Interest rates moved nervously on the London money market last week, as dealers tried to judge the impact of Britain's industrial problems and the US interest rates as low as possible. The August money supply figures were regarded as mildly disappointing, but not enough to change the minds of those who feel interest rates are only held at present levels because of high U.S. rates, and not on account of the domestic economy.

MONEY RATES

Table with columns: Term, Rate. Values for various money rates.

LONDON MONEY RATES

Table with columns: Term, Rate. Values for various London money rates.

FT LONDON INTERBANK FIXING

Table with columns: Term, Rate. Values for various interbank fixing rates.

NEW YORK (4 pm)

Table with columns: Term, Rate. Values for various New York rates.

The fixing rates are the arithmetic mean rounded to the nearest one sixteenth of the bid and offered rates by the market.

African Development Bank African Development Fund THE AFRICAN DEVELOPMENT BANK CELEBRATES TWENTY YEARS OF SERVICE TO AFRICA

From the humble and seemingly inconsequential idea of the First All African Peoples' Conference, held in Tunis in 1960, the African Development Bank has today become the largest Pan-African development financing institution. This twenty-year-old organisation has by and large lived by the mission inscribed in its charter: to promote economic development and social progress on the African continent.



ADB President, Wila D. Mung'omba (facing camera), visiting the Nkula Hydro-electric Power project

Owned and managed by the citizens of the 50 independent African states until 30 December, 1982, the African Development Bank today, counts 23 non-African states in its membership. The significance of the entry of non-regional nations into the African Development Bank lies not so much in the fact that these countries have helped raise this institution's authorised capital from US\$2.7 billion to US\$6.3 billion but in the fact that through the African Development Bank the industrialised and developing countries agreed to put into practice the much talked about North-South Dialogue on priority for the continent.

health projects; increased literacy and high national and sub-regional absorptive capacity resulting from education projects; increased internal, international and inter-country trade facilitated by its transport and telecommunications projects; and in sum, better incomes and standards of living emanating from Bank Group activities in the various sectors of the African economy.

Generally speaking, the gains that African economies had made in the 1960s and early 1970s have been seriously eroded over the past five to seven years, so that we are starting the next two decades from an economic base much weakened by the recession and the ravages of what seems to be a sustained period of drought in some parts of Africa. This has been compounded by interplay between population increase and the declining trend in agricultural productivity. The net result has been a decline in per capita incomes in about half of our African member countries, stagnation in a few more and very marginal growth in others. The external sector has also been weakened, as Africa has lost the markets for many of its products, while its import needs have continued to grow.

From its Head Office in Abidjan, the African Development Bank Group will do its utmost to ensure the ultimate achievement of this goal. As we celebrate twenty years of the African Development Bank's service to Africa, development, this institution looks forward to the future with confidence and determination to help make Africa a better place to live.

For further information contact: Information Division, African Development Bank, 01 B.P. 1387, ABIDJAN 01, Ivory Coast. Telex: 23717, 23263, 23498. Telephone: 33 21 72 or 32 07 11